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FEBRUARY 2022

THE MONEY ISSUE

**SHOW US THE MONEY:
A GUIDE TO
RAISING CAPITAL**

**WHAT YOU NEED
TO KNOW ABOUT
WINDOWS 11**

**RIDING HIGH:
DAVID AWARDS
WINNER HYBRID BIKES**

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FEBRUARY 2022

Rallying your
team (and yourself)
FOR 2022

Sir Jerry Mateparae:
World-class leadership mana

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know to lead change effectively

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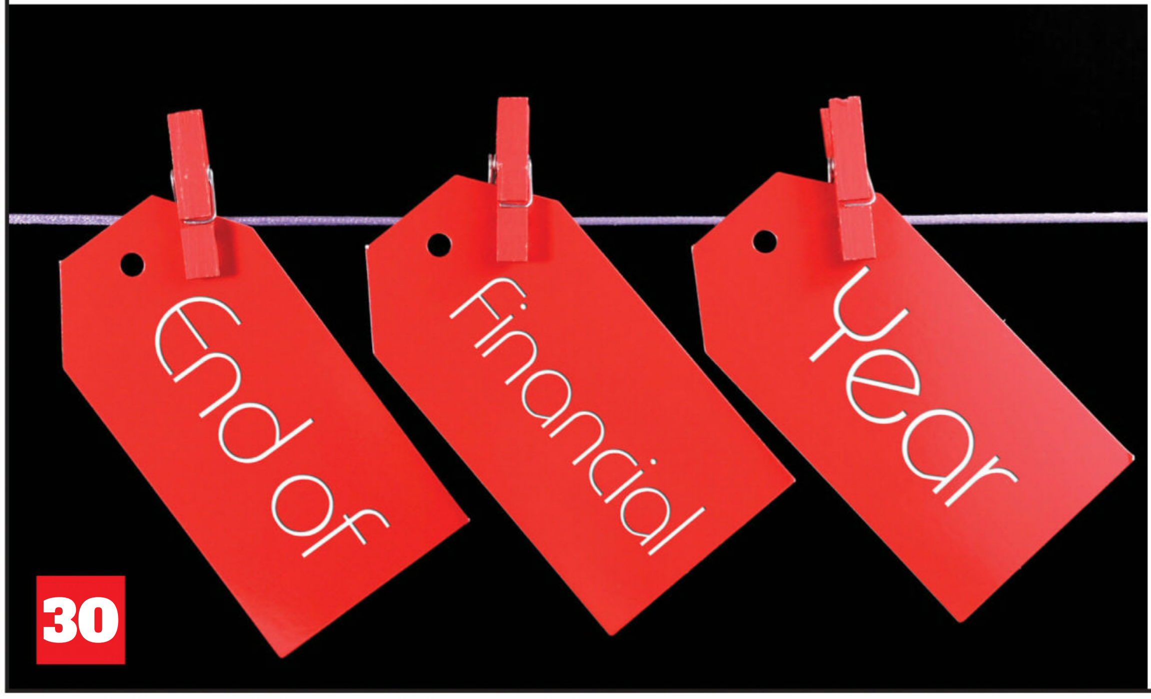
End of
Financial
Year
30

Total Balance
$1,888.88
Bitcoin
$ 87,970.90
$10,488.07
Ether
$8,123.01
$970.90
34

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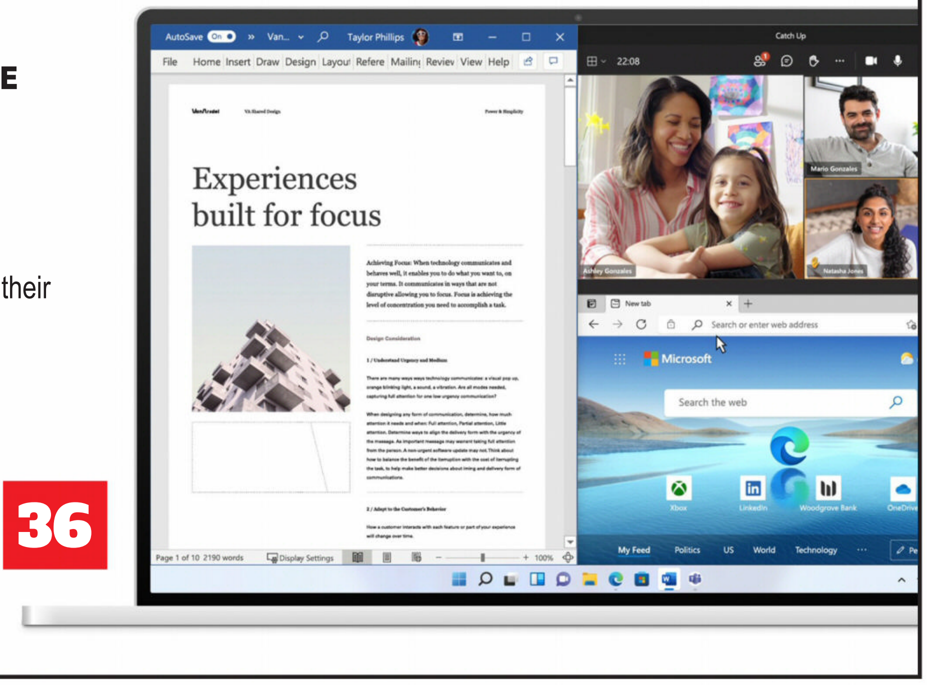

FROM THE EDITOR

LET'S GET DOWN TO BUSINESS

Welcome to our first issue, our Money Issue, for 2022. As I'm writing this note pre-Christmas, my best guess is that the country is still split between red and orange traffic lights and businesses are continuing to work around a number of annoying, but necessary, restrictions.

Life goes on under Covid!

With money the central theme this quarter, understandably many of our stories are related to business finance. I trust you'll find our lead story on raising capital useful. While it is a vast subject, our story focuses on some major players in New Zealand's venture capital and equity crowdfunding marketplace.

My thanks to Jack McQuire and Barnaby Marshall at Icehouse Ventures, Simeon Burnett of Snowball Effect and PledgeMe CEO Dr Claire McGowan for their valuable input.

Continuing on the money theme, I'm also grateful to Emma Fawcett (Page 30) who offers some useful tips for business owners looking to finalise their EOFY accounts in what has been a tough year.

And if you're wondering why you're hearing the word 'cryptocurrency' in the news a lot lately, and how the use of currencies such as bitcoin can benefit your business, then you should find Janine Grainger's story on page 34 of special interest. Janine outlines four potential crypto benefits for businesses and points out that digital currencies in all their forms, are here to stay.

The question is, are you ready to expand your horizons?

As always, we have a solid serving of inspiration. I'm sure you'll enjoy artisan brewer Gail Matthew's Kc Kombucha journey, and Annie Gray's fascinating profile of Taranaki serial entrepreneur Simon Moore. Through his highly profitable roofing company Simon has been able to fund Urquhart Golf – a venture based around his innovative adjustable golf club design. Innovation and hard work runs deep in the regions, and Nelson is another example – home of Frank Witowski's Hybrid Bikes, the Supreme winner of the 2021 David Awards. Frank's story, another remarkable one, is on page 24.

We live in an uncertain world, but one fact remains immovable – *NZBusiness* delivers top stories to inspire and motivate business owners everywhere.

All the best for 2022!

Glenn

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NZBusiness

The owner manager's magazine

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RECENT POSTINGS AT NZBUSINESS.CO.NZ

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ONLINE SHOPPING IS BEING PUSHED INTO THE SPOTLIGHT, THANKS TO THE PANDEMIC. MEGAN SIMONS SHARES FOUR WAYS BUSINESSES CAN IMPROVE THE ONLINE SHOPPING EXPERIENCE FOR THEIR CUSTOMERS.

GOING GLOBAL IN A POST-COVID ENVIRONMENT
THE PANDEMIC HAS HAD A PROFOUND IMPACT ON TRADE, PARTICULARLY FOR A GEOGRAPHICALLY ISOLATED COUNTRY LIKE NEW ZEALAND. DAMON KELLY OFFERS SOME TIPS FOR FLEDGLING EXPORT COMPANIES.

KNOWING WHEN YOU'VE OUTGROWN YOUR BUSINESS SOFTWARE
JO TOZER EXPLAINS THE SIGNS THAT SUGGEST YOU'VE OUTGROWN YOUR BUSINESS SOLUTIONS AND SOFTWARE. WHAT SHOULD YOU LOOK OUT FOR?

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Footwear founder reflects on 30 years

Three decades ago Chris Bennett and wife Colleen launched their "side-business" Bobux out of an Auckland garage. The popular kids shoes quickly became an international success and today are available in more than 40 countries.

In 1991, Chris saw a gap in the market for soft-soled children's shoes that stayed on. Bobux shoes were sold at Auckland's Victoria Park Market, often selling out due to word-of-mouth marketing. Chris and Colleen saw the potential beyond a small business opportunity and took the shoe designs to Australia and beyond.

"One of the key learnings that I pass on to start-ups is that getting overseas and building relationships is fundamental to growth and future success of your product," says Chris. "Obviously I would easily hop on a plane back in those days and meet prospective distributers face-to-face, which is not easy for budding entrepreneurs right now – and that's really tough."

Chris currently works with three footwear start-ups and is well aware of the challenges of growing a business during a pandemic. "I encourage them to get creative over Zoom and try their best to build relationships there. Unfortunately nothing can replace in-person meetings when it comes to building trusted and ongoing relationships."

Other key learnings from Chris include the importance of a strong brand story, not just a great product. "We had a story of this lazy father who was sick of tying his kids shoe laces and went searching for a better option – it resonated with other parents.

"It's also really important to think big; get outside of the New Zealand market as quickly as possible as we are limited by the small population here."

Five years ago Chris stepped out from the leadership role at Bobux, hiring a CEO and introducing a board. "Many founders don't know when it's time to step out – but it can be the best decision for everyone in the business to bring in a CEO who can take the business further than you can."

CHRIS WITH GRANDCHILDREN ARCHIE AND HARLOW.

In recent times, Bobux has undergone a significant digital transformation, evolved its product and distribution offering to a rapidly changing consumer landscape and navigated the pandemic.

It is a true family business. Although separated for ten years, Chris and Colleen have maintained a working business relationship. Their oldest daughter Chloe worked in customer service for ten years; second daughter Hannah works on e-commerce; and son Sam spent some time in design and in the warehouse.

The company has more than 30 staff and has managed to bounce back after Covid-19, investing into e-commerce and the brand's digital presence, with 40 percent of sales now online.

www.bobux.com ■

Platform tackles supply chain issues

Bay of Plenty-based businessman Paul Hewitt has launched a digital platform to connect Kiwi businesses with manufacturers, distributors and producers in New Zealand – reducing the need to navigate the broken global supply chain.

Source It New Zealand allows businesses to support each other, and the domestic economy, as Covid-19 continues to wreak havoc on supply chains across the world.

"Being in a small country with a high reliance on importing goods, it can now be extremely difficult for SMEs to get what they need manufactured, produced and distributed to keep their businesses running," explains Hewitt. "What they may not realise is that they can actually source a lot of these goods from other businesses here in New Zealand, without the high costs and delays they can now expect from international suppliers."

Best described as a 'large-scale reverse TradeMe for business', the Source It website is the link between Kiwi SMEs (customers) and manufacturers/distributors (suppliers), creating a platform for the customer to list the products they need, and allowing the provider to respond to relevant listings. This effectively facilitates lead generation for the supplier, and potential suppliers of goods for the customer.

For the customer, Source It is a one-stop site to source everything they need for their business, in bulk. Unlike international supply chains, choosing local suppliers can result in lower shipping/freight costs and wait times. It is free for customers to post a listing on the Source It website.

For the manufacturer and distributor, Source It is a low-cost lead generation subscription. They sign up to Source It and receive notifications when customers post listings looking for the type of goods they can supply. Suppliers can then contact the customer and arrange quotations, etcetera. Manufacturers and distributors pay a small monthly subscription fee to Source It.

"For years, New Zealand businesses have sourced parts and products from international suppliers," says Hewitt. "Source It will help to boost the New Zealand economy, support local businesses and even save businesses money in freight costs."

www.sourceitnz.co.nz ■

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Free mentoring to help small businesses recover

A year of free business mentoring is up for grabs for 30 businesses across the country, as Business Mentors New Zealand celebrates 30 years of helping small businesses succeed.

BMNZ is an independent not-for-profit that provides mentoring services to start-up entrepreneurs, existing businesses and social enterprise.

Over the past 30 years it has helped more than 80,000 businesses on the path to success, providing an estimated $230 million worth of time to mentor clients.

Looking back over the three decades BMNZ CEO, Sarah Trotman, says BMNZ has witnessed many economic and societal fluctuations that have impacted small business but never before have these been as great as those faced today.

"We know many small businesses are hurting after the uncertainty and turbulence of the past two years. Some business owners may be looking to new directions and a fresh future or just rebuilding an existing business and this is where we can help.

"Getting a fresh perspective from someone who is experienced, independent and empathetic can be a game changer," says Sarah. "Whether you need management and financial guidance, tech-savvy expertise, new ideas, problem solving or just a sounding board, our mentors can help."

Business owners are matched with the appropriate mentor, regardless of location. Business Mentors' Virtual Mentoring program means the best fit can be found across the whole country, unhindered by where the business or mentor is based.

Mentors meet with their clients on a regular basis – just how regularly depends on both parties and the particular business concerns.

"Making special connections is one of the core strengths of the Business Mentors service. We have three decades of experience in finding each business owner a unique match to help them grow. We can connect people with unique experience and in niche industries," says Sarah.

"We're deeply aware of the challenges business owners face right now. But thanks to the generosity of our mentors and the opportunities technology brings we look forward to giving as many small businesses as possible a helping hand."

SARAH TROTMAN.

Business Mentors is New Zealand's only not-for-profit national business mentoring service and was founded in 1991. Its network includes around 2000 mentors who gift their time and are highly experienced with a diverse range of skills. All have achieved success in their own businesses and respective sectors.

To be considered for one of the 30 free mentoring programs, email bmnz@bmnz.org.nz ■

Social enterprise boosts sustainably sourced wool sales

Tech start-up and social enterprise Comfi is set to provide a significant boost for New Zealand's sustainably sourced wool sales. The country's first online bed retailer with a social purpose, provides a full sleep solution for a child in need, including a single bed and base, and a pillow for every five beds it sells.

Founders Vicki Eriksen and Susie Harris developed the concept after struggling to find suitable beds online during the first Covid lockdown.

A pre-existing relationship between Neat Meat and sheep farmers in Taupo will see the supply of the environmentally friendly wool for use in the manufacture of mattresses. A collective of sustainable farmers in the region have committed to maintaining a low intensity stock model, helping to reduce nitrogen levels in Lake Taupo.

The per hectare cap on livestock numbers increases farming costs by almost 50 percent, however Comfi has opted to pay over twice the market rate for the single sourced wool, helping to support the ongoing viability of the farmers. The company's pocket spring mattresses retail at around half the price of equivalent products in brick-and-mortar stores.

Vicki Eriksen says while there has been a rapid rise in online retailers selling imported boxed foam mattresses, these are not suitable for all market segments and the majority of Kiwi bedrooms have inner spring mattresses.

She says the average person spends around 26 years sleeping and purchasing a bed can be a confusing and logistically challenging experience. "Our research shows that Kiwis are traditionally risk averse when buying high ticket items online, particularly beds, and yet the actual trial time in store is generally only a few minutes.

"Our model mitigates the pain points of buying a bed online - we offer a 100-night 'rest easy' trial, contactless free delivery, ten-year warranty and a price point that provides a strong incentive to consider this purchase."

Eriksen says they aim to reach a point where they can donate a child's pocket spring mattress and bed for every one that's purchased.

Other Comfi shareholders include Neat Meat CEO Simon Eriksen, Jucy co-founder Tim Alpe, and director/investor Andrew Harris.

VICKI ERIKSEN AND SUSIE HARRIS.

Orba calls for conscious consumerism

As Kiwis rushed to spend a record $248 million in hyped Black Friday sales late last year, sustainable Wellington shoe business Orba was instead busy marking UN World Soil Day on December 5th as a nod to environmental priorities and slow, conscious consumerism.

Almost every aspect of Orba shoes are made from plant-based or biodegradable ingredients – coming from the soil and returning to the soil at the end of its lifespan.

"Orba shoes are made of non-toxic, plant-based materials, and are designed to biodegrade," explains Orba's sustainability manager Gillian Boucher. "This means that when they come to the end of their life, they don't damage the soil they end up in, unlike synthetic and plastic materials that release toxins into the ground as they break down."

Gillian says the shoe industry is an example of products being made with little thought about where they will end up at the end of their lifespan.

"We are fighting back against the pollution caused by the 20 billion shoes produced globally every year and destined for landfill," she says, adding that disposed shoes in landfill take from 40 to 1000 years to break down.

"We've chosen some of the most highly renewable plant-based materials in the world. These have very low environmental impacts during farming and cultivation and they don't degrade our soils."

www.orbashoes.eco ■

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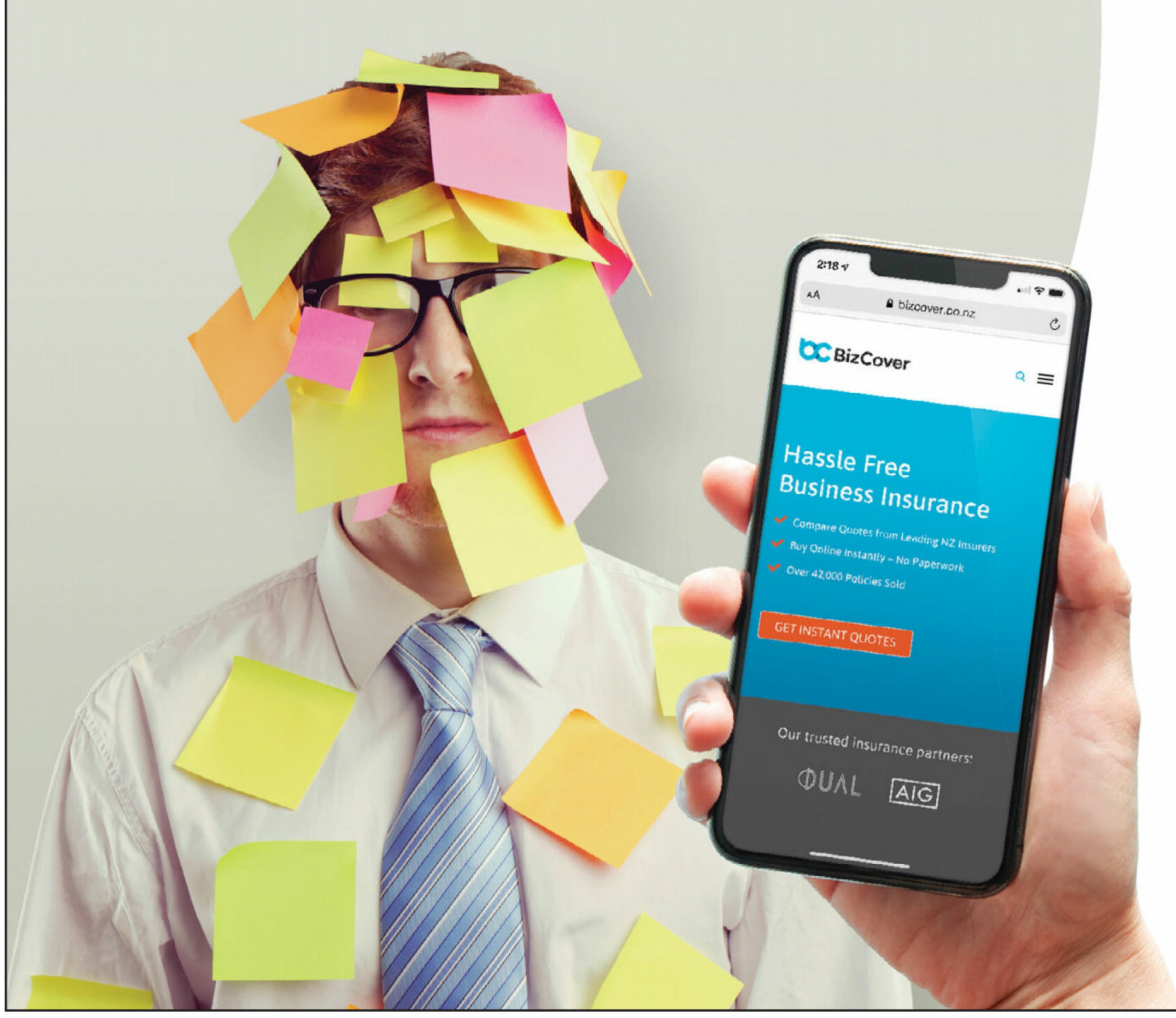
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BUILDING SUSTAINABLE, RESILIENT SUPPLY CHAINS

DR BENJAMIN DEHE

AN EXCITING, STATE-OF-THE-ART MASTER OF SUPPLY CHAIN MANAGEMENT PROGRAMME HAS BEEN LAUNCHED BY AUT. FOR STUDENTS AND YOUNG PROFESSIONALS, A PROGRAMME FOCUSED ON HOW SUPPLY CHAINS WORK COULD NOT HAVE COME AT A BETTER TIME.

The importance of fully understanding supply chains and identifying their weaknesses has become very apparent in the current global supply chain crisis.

For almost two years the world has experienced one of its most significant disruptions ever, thanks to Covid-19. Worldwide lockdowns mean global economies and supply chains have been left exposed and fragmented, while businesses and companies have been challenged to adjust to new market conditions, moving constraints, policy changes, and constant uncertainty.

In New Zealand we have our own unique challenges. Our geographic location means we rely heavily on effective and efficient supply chains. The pandemic has had a trickle down effect, creating shortages in raw materials, components, products, and other commodities; price increases; and longer lead times.

Understandably, customers and suppliers are frustrated.

It's predicted that it will take some time before supply chains can absorb these variations in supply and variabilities in demand and return to pre-pandemic levels of performance. Even when that happens, the pandemic has underscored the vulnerability and value of global supply chains to our economic fabric.

Within this context, there is expectation that our global supply chain executives and business professionals will work to improve future supply chains, considering their social, environmental, and economic impacts and contributions.

UNDERSTANDING CONNECTED ECONOMIES

This challenge is the focus of AUT's new Master of Supply Chain Management programme (MSCM). The Business School has traditionally offered SCM as part of its MBA degree; however, the recent demand and interest for SCM means that AUT is now offering a dedicated postgraduate programme.

So how can our supply chains be made more sustainable and resilient going forward?

"Local firms need to develop contingency plans and supply strategies, for instance by integrating and working closer with their suppliers and considering the suppliers of their suppliers in sourcing and design decisions," explains Dr Benjamin Dehe, Associate Professor of Supply Chain Management and the head of AUT's MSCM programme.

"Here at AUT an ambitious team of academics has developed a state-of-the-art supply chain management programme, connected with local and international businesses."

AUT's new professional master's programme features a range of key courses: Supply Chain Design, Digital Business, Supply Chain Analytics, complemented by additional strategy, finance, innovation and entrepreneurship courses.

"This programme will equip students with advanced knowledge, competencies and skills to enter and flourish in the supply chain profession," says Dr Dehe. He says supply chains are now increasingly integrated into wider strategies by firms.

"It is exciting to work in a function where we can make a difference and have real impact. Also, depending on the industry, the problematics are different and varied, which makes for a satisfying career.

"We are at the dawn of this so-called 4th industrial revolution, fuelled by technologies such as AI, blockchain, Internet of Things, Big Data, augmented reality, and robotics. These technologies are rapidly transforming our operations and supply chains and the pandemic has only acted as a catalyst. It is essential that we understand these innovations so we can maximise the power and potential of supply chain management."

MEETING THE DEMAND

The MSCM reflects the Business School's commitment to real-world experience and social impact.

"In developing the programme, we have worked closely with industry leaders to build a comprehensive and contemporary postgraduate course," says Dr Dehe. "One of its key features is the chance for students to apply what they're learning. Students can work on a specific SCM challenge initiated by a business or an industry. This will enable them to consolidate what they have learnt, and bridge theory and practice."

Dr Dehe says the programme has a particular focus on sustainability, an area of strong and growing interest to potential applicants to the MSCM.

"Many are interested in the sustainability aspect. The supply chain function is used as a key, strategic lever to support a company's sustainability agenda, for example, it can support the circular economy by minimising the environmental impact, reducing emissions and net-zero commitments – all of which have gained momentum recently in the media post-COP26, and will be a recurring topic in our programme ."

EXCELLENT CREDENTIALS

AUT's academics are research active and have extended networks worldwide – invaluable for creating connections and synergies.

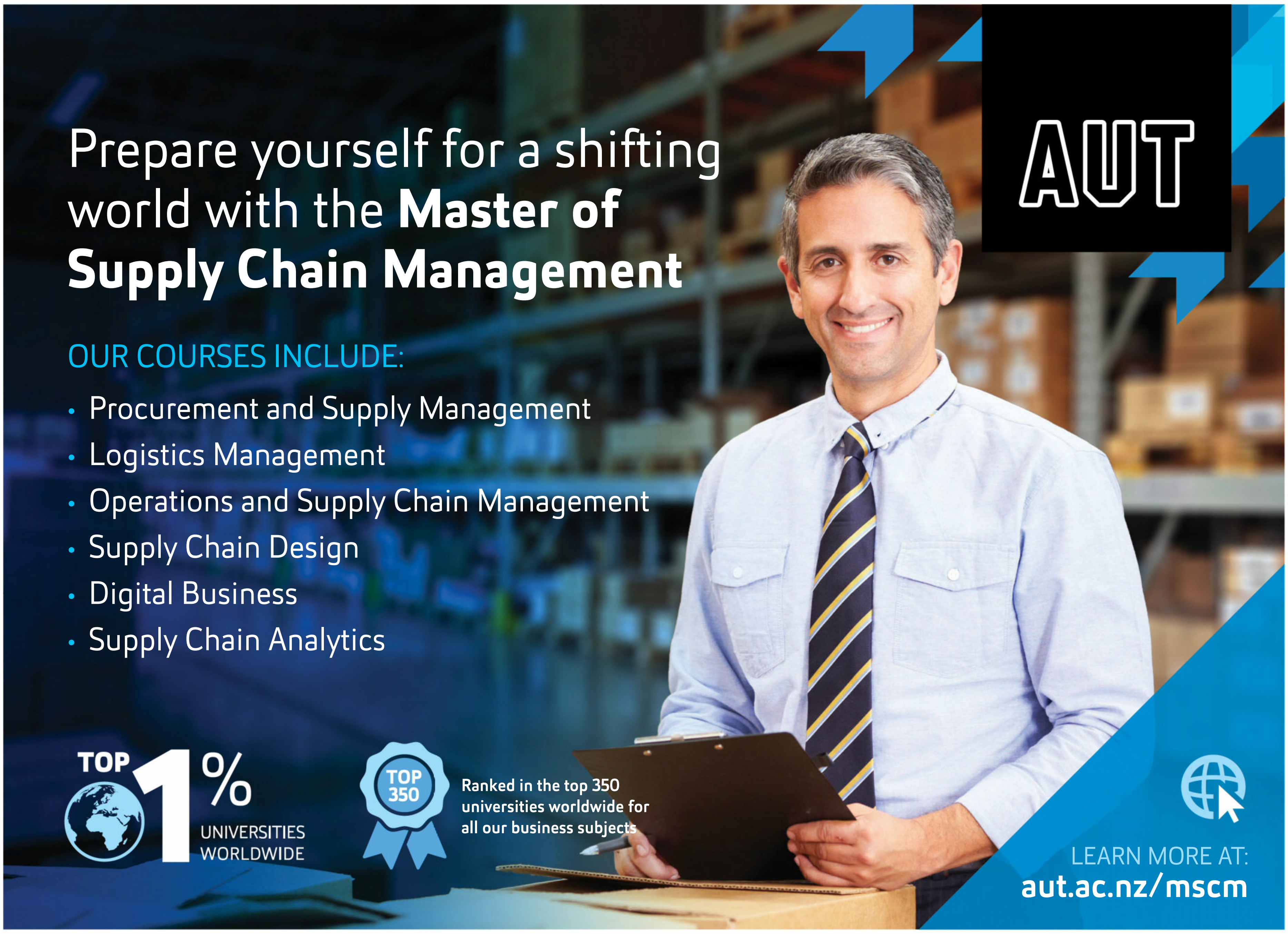
In addition, the AUT's Business School is in the process of securing the Chartered Institute of Procurement and Supply (CIPS) accreditation. Once accredited, students who successfully complete the MSCM and meet the specified criteria may apply to become a Member of the Chartered Institute of Procurement and Supply (MCIPS).

"We hope to recruit motivated professionals who are enthusiastic about starting a career in SCM and/or reskilling or upskilling to further their career in supply chain," says Dr Dehe.

The main entry requirement for the MSCM programme is a completed bachelor's degree with minimum B-grade average. However, as long as one is motivated, the bachelor discipline and background has little importance, says Dehe.

"The skills, knowledge, and experiences our MSCM students will acquire will ensure they are industry ready, innovative supply chain executives."

Find out more about AUT Business School's Master of Supply Chain Management (starting February, 2022) at aut.ac.nz/mscm. ■



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PUTTING THE ‘ART’ INTO ARTISAN BREWING

BY EDITOR **GLENN BAKER**

332
Kc
Kombucha
2
JAPANESE LIME
330ml

LIKE MANY ARTISAN BREWING VENTURES, GAIL MATTHEW’S KC KOMBUCHA BRAND WAS BORN IN THE PANTRY. NOW THREE YEARS AFTER LAUNCHING, SHE’S READY TO SUPERCHARGE HER BUSINESS.

GAIL MATTHEW

Gail Matthew is used to doing it tough in business. Prior to starting Kc Kombucha she had spent some 20 years working in the hospitality sector trying her arm at various ventures including a licensed café in Grey Lynn.

She’s also qualified in naturopathic medicine, is a medical herbalist, and ran a naturopathic business from home when her two children were still young.

Then the GFC’s fallout, and health issues suffered by her son, impacted heavily on Gail’s stress levels. So she closed her business to focus on her children and looking back, remembers being happier, healthier and “a better parent” as a result.

As her children grew older and more independent, Gail got serious about finding another business to purchase. However, despite her best efforts, no business she looked at “felt quite right”.

The answer came in the form of a kombucha hobby that had literally been quietly brewing away – first in her home pantry and then in a space under her stairs.

“I began forcing my kombucha on all my friends when they came around,” she recalls. “But they said to me ‘this tastes really good, you should sell this stuff’.”

In 2016 kombucha was still quite new in New Zealand, she remembers. Many people didn’t even know what it was, or what its live cultures, aka scoby[1], could do for their health.

Gail knew about the good that fermented foods can do for the human body. Her mother had helped fuel her interest by producing foods such as sauerkraut, kimchi, kefir water and kombucha.

That was where the first seed of an idea was planted for commercially producing traditionally brewed kombucha (this is an artisan produced beverage considered far superior to cheaper products made from concentrate).

“I went to mum one day and said, shall I do this?” recalls Gail. “My parents had been business owners most of my life, so they had a wealth of knowledge and support for me to draw on.”

Fast forward to 2021 – following three years of development and despite trading restrictions brought on by Covid-19, home-based Kc Kombucha is now experiencing a growing presence in New Zealand’s highly

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[1] A symbiotic culture of bacteria and yeast (Wikipedia)

> "CONSTANTLY REACHING OUT FOR ADVICE HAS BEEN THE MOST IMPORTANT LESSON FOR ME."

competitive market – with wholesale sales to hospitality venues and giftbox retailers, as well as online retail sales.

"Our online sales are primarily to women aged between 30 and 50," explains Gail. "People looking to reduce their alcohol intake and looking for healthier alternatives. They're also giving it to their kids to replace soft-drinks."

Kc Kombucha is pitched as a premium beverage – ideal for bars, restaurants or barbecue. It has naturally occurring live culture, but thanks to clever filtering there's no obvious scoby or 'oyster' growth on the top and minimal sediment, Gail explains.

FACING CHALLENGES, LEARNING LESSONS

Gail admits that there was a lot to learn in bringing her product to market, and to a level she was happy with. With a premium product such as this, supermarket shelf space is out of the question, as are bars which often have agreements with one of the big beverage manufacturers. With Covid lockdowns the wholesale and events markets have become even tighter, with Gail relying 100 percent on online sales. She's grateful for having a "super positive and super supportive" husband – her "rock" who brings in the money. "Grant earns it and I pretty much spend it," she laughs. "And he's my number one repairs and maintenance man."

She's also grateful to her two teenage children for mucking in – her daughter getting up before dawn to help at the markets, and helping with bottling, and her son doing all the keg washing.

The business has taught Gail a lot. She says there is always the fear of being laughed at or ridiculed in the early days, so self-belief is important, as is realising that the more you talk to people the more you learn.

"So constantly reaching out for advice has been the most important lesson for me."

As an example, she remembers reaching out to a women's virtual networking group called She Owns It for advice on approaching wholesale venues. She was subsequently linked up with business growth specialist Fiona Clark, who helped her put a presentation together, has taught her how to open doors better and think 'outside the box'.

"She's just been such a great sounding board, especially around business direction and where best to focus in order to get immediate sales," says Gail.

Another piece of advice Gail has come to appreciate around "all that marketing and sales stuff" is that perfection doesn't happen overnight. It takes time and sometimes a "not quite perfect" plan is still good enough to get started.

"You just have to perfect things as you go," she says. "For a perfectionist like me that was a big lesson to learn."

MOTIVATION TO GROW

Looking to the future Gail is upbeat. With the help of Grant and her parents she's developed a special fermenting room next to the cool room on her property with a view to expanding production.

Her goal is also to increase sales substantially – that's wholesale, online, markets and events, and will involve more staff and, to take the heat off Gail, a distributor on board.

"In two years' time I'd like to think we'll be operating from a dedicated brewery – a purpose built production facility away from the family home."

Her BHAG is New Zealand domination. To be seen as the best 'go-to' premium kombucha produced in New Zealand, while holding onto the brand's traditional brewing values.

And, of course, the road ahead for Kc Kombucha is underpinned and motivated by Gail's personal journey towards better health.

"I love natural health and have a real desire to see people thinking more about what they're putting into their bodies and how that makes them feel," explains Gail, "and making better choices as a result."

She also wants to continue being a good role model for her kids – not just in healthy living, but also in business success.

"Show them how you can turn an idea into reality, and that really there are no limits. You can do anything you want in life once you're put your mind to it and learn how." ■

WHAT SIMON SAYS, SIMON DOES

BY **ANNIE GRAY**

TARANAKI'S SIMON MOORE NEVER LETS ANY HURDLE GET IN THE WAY OF AN INNOVATIVE BUSINESS IDEA. AND HE'S JUST TEED OFF WHAT COULD BE HIS BEST IDEA YET.

SIMON MOORE

Serial entrepreneur Simon Moore may well be what is known as a polymath. Or, as Wikipedia describes it: *"An individual whose knowledge spans a substantial number of subjects, known to draw on complex bodies of knowledge to solve specific problems."*

Asked about this, Simon doesn't agree or disagree but says he knows that 'experts' become 'experts' in a very narrow body of knowledge and that if you want to have a big, dangerous idea, you have to ask a lot of stupid questions.

New Plymouth-based Simon is now getting ready to launch his newest venture, Urquhart Golf, marketing an adjustable golf club he has developed.

In launching this new company, he appears to be drawing on the wide skillset he has developed throughout his working life.

Simon's first role was in optometry. Then he became a self-taught blacksmith before moving back to optometry, then onto golf tech with an earlier iteration of an adjustable golf club, then onto his roofing business Flexiroof.

Now he's back focusing on golf-tech again.

The Urquhart Golf venture brand name honours the first inventor of an adjustable club way back in the 1890s.

Simon is a long-term golfer, and says he first bought an adjustable club about 25 years ago. While he liked the concept, he hated the implementation and "sat with it as a sleeping idea for two and a half decades".

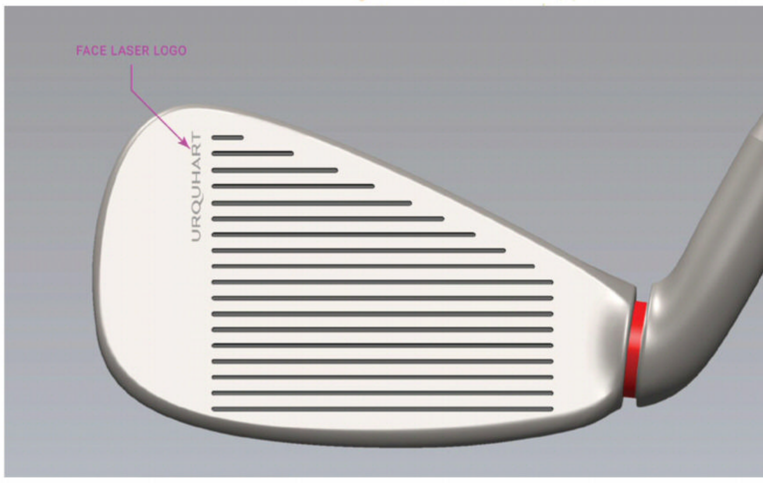
The new company's website describes the club as a lighter way to golf. It notes that golfers will be able to play a whole round with just one club, which is adjustable for either 11 loft settings or six loft settings, so it can be used as anything from a putter to a driving iron.

It's adjustable in two seconds and instead of carrying 14 golf clubs around the course, golfers need only carry just this one club.

Simon says the new product is expected to be launched on Kickstarter in mid-January 2022, and then at the Orlando PGA Golf Show, the world's premier golf trade show, in late January.

As to what sort of uptake he

adjustable loft



expects, he says it is hard to know but they have initially ordered 2,700 clubs to be made.

"All I would say is that will not be enough. Randomly we just had a person in California reserve ten clubs for himself, his wife, and their eight kids."

There are approximately 100 million golfers globally and when asked (as a vast generalisation) whether golfers are traditionalists or if they are open to change, Simon says it works both ways, in that new ideas can spread quickly but golfers buy the big four brands.

The clubs will sell for US$349.

FUNDED THROUGH FLEXIROOF

The research and development for the new club along with launch costs will work out at around $500,000 by the time they make their first sale, Simon says.

This has been funded through his profitable roofing company, Flexiroof, which he set up in 2013.

Flexiroof designs and markets "beautiful shelters for outdoor living" through a modular system.

That company too, has a quite different business model in that it donates ten percent of its profits each year to charity. It has donated funds to the Otago Peninsula Trust which works with the major albatross colony at the tip of the Otago Peninsula, as well as Taranaki Women's Refuge and Starship Hospital.

Simon sees this charity clause as an excellent discipline for a founder and the team "to make sure they work on business that is very profitable".

"It puts it on the team to have a great product and not be a 'me too copycat'," he says.

"I am not religious at all but tithing has been used for centuries and it feels like a real percent, not trivial. It is my hope other companies will follow our lead."

LED BY DESIGN

Asked about the cross-overs between the two businesses in the way he runs and develops them, Simon says it is all about design, which he describes as "simple and self-locking in character using friction and geometry".

He says this thinking comes from his time as a blacksmith. In the 1990s he was working in a National Trust property in Kippen, Scotland, known as a 'smithy', and he taught himself the ancient art of blacksmithing.

"Bizarrely this is very relevant," he explains.

The smithy had no modern tools (because it was a National Trust property) so he had to learn to put things together using friction, geometry, bending, twisting and folding.

He says over the past 30 years he has been designing using the very skills he learnt as a blacksmith.

Simon also has an interest in a third fledging company, Sign Sixty, which he says is developing a new way of putting up roadside signposts. He believes the technology used in this business will mean a signpost can be in place in 60 seconds, rather than 60 minutes. This also uses the same design thinking/recipe.

"Simple and self-locking in character using friction and geometry. It arose from a problem we had with Flexiroof – solving that led to the technology used in Sign Sixty," he says.

BUT WAIT, THERE'S MORE

There's a further note to add to this multi-layered business story. About 13 years ago Simon was on New Zealand's *Dragon's Den* television show demonstrating an earlier iteration of an adjustable golf club – for which the company, Puku Golf, was awarded $300,000 to market it in the United States.

An associated patent was bought by Nike Golf, and both Tiger Woods and Rory McIlroy used the driver with this technology.

As to what lessons he learned from selling the earlier golf product to Nike, Simon says Nike was honourable and fair, as was Taylormade Adidas in an earlier deal.

While he can't say how much his company sold the patent to Nike for, he notes that "anything Nike wants, and buys, will be a nice number".

"We declined their first offer and they were shocked, but a month later they increased it substantially." ■

Annie Gray is editor of Management magazine.

8 GOLDEN MONEY RULES FOR BUSINESS OWNERS

LISA MARTIN

FROM DIGITAL CURRENCY TO THE HIDDEN ECONOMY, INTANGIBLES TO SAVINGS, ROIs TO CASHFLOW CONTROLS – GOFI8URE EXECUTIVE DIRECTOR LISA MARTIN DELIVERS SHORT, SHARP INSIGHTS ON MONEY MATTERS FOR BUSINESS OWNERS.

It's fair to say that the Covid pandemic has hampered many business owners' ability to manage their finances. The GoFi8ure team of accountants and bookkeeping professionals have seen the outcomes of: not sticking to budgets, failing to plan, delaying bill payments to manage cashflow, not saving money in general, buying what you want rather than what you need, impulse buying, borrowing money, as well as getting into debt and taking out short-term payday loans with killer interest rates. So here are some golden rules to help keep you on the straight and narrow path to success.

RULE #1: UNDERSTAND THE TRUE VALUE OF MONEY

Many business owners learn little to nothing about basic money management. Their primary business motivation can simply appear to be 'keeping up with the Joneses'. That might involve dipping into business funds to purchase a new vehicle, and often there's nobody to stop them doing it, including their banker, accountant or bookkeeper.

However, in reality, your accountant or bookkeeper is the best person to consult, to see if what you're buying is justifiable and affordable.

Think, and ask, before you spend.

Transparency is another key consideration – demand transparency around invoices your business incurs. What are you being charged for? And hourly or daily? Are the margins unreasonable?

Failing to allow for provisional tax is a trap too. It's easy when owing tax to Inland Revenue to view the whole situation as insurmountable and therefore become complacent about a rising tax bill.

Conversely, even when in control of your tax payments and accruing significant profits, the trap could be an attitude of spending money to save tax. "You should spend to accumulate, and hopefully on the right things, such as assets," warns Lisa.

"It's about the psychology of money," she says. "Money is just a vehicle to get to an end-point. How we earn it and spend it is where the value lies. If earning money is a negative experience for you, then you'll probably spend it negatively. Similarly if it's a positive experience, you'll spend or invest it positively."

There's also the issue of becoming resigned to being in debt, and immune to more debt. On the other side of the coin, if you have money in the bank it's easy to overspend it.

It's about being disciplined and truly understanding the figures. "If only financial literacy was taught at school," bemoans Lisa.

RULE #2: UNDERSTAND DIGITAL CURRENCY

Digital currency is known as cryptocurrency. Bitcoin is the major one. But it's not about making a 'fast buck'. Before you get involved, get educated, and ask your accountant how you will go about accounting for it.

Lisa warns that although crypto may look glossy and easy, some of the rules and regulations around it are still fluid, both here and overseas, and its future is still uncertain.

"There is no such thing as easy money, so please do your homework. Talk to the subject matter experts," she says.

RULE #3: BEWARE THE 'HIDDEN ECONOMY'

In New Zealand, the 'hidden economy' (aka the 'shadow economy') makes up 11.9 percent of the total taxable economy. That's considerable, but still rates quite low against other countries. This is under-the-table work, the cash jobs that no one pays tax on – as well as money laundering and criminal proceeds.

"Give everything the sniff test," warns Lisa. "If something doesn't feel right or sounds too good to be true then avoid it."

Avoid (undeclared) cash payments. Only deal with reputable people and organisations. There are times when you need to prove incomes for tax purposes, and things can come unstuck very quickly.

RULE #4: BEWARE THE BLACK MARKET

This involves any income or earnings that are not legitimate. Refer to Rule 3.

RULE #5: TANGIBLES VS INTANGIBLES

Together they represent the true value of your business. Looking at your balance sheet there are a number of things you can do to ensure you have cash in your bank accounts; that you're keeping up with all your tax obligations, buying non-cash assets, and investing where there's a future ROI (such as property and investments). These are all tangibles that work for you as your business grows.

Intangibles include the likes of keeping your customer database up to date, any unredeemed vouchers, trademarks – all of these add value to your business when the time comes to sell.

RULE #6: THE IMPORTANCE OF THAT NEST-EGG

If you are a sole trader, you are the business. It's all very well having professional indemnity insurance, but if you can't work, there is no business.

Even if you have employees who can help the business carry on, how long can that continue without your presence?

"Risk mitigate everything in your business – yourself, your people and your systems," says Lisa. "That's why you should always save a percentage of all the money that comes in. That's over and above the money set aside for tax."

This highlights the importance of having separate bank accounts for this purpose, she adds – labelled GST/interim tax liability and savings. And if there's not enough left to run the business, then you need to have a serious conversation with your accountant.

RULE #7: GETTING A RETURN ON YOUR INVESTMENT

Here we're referring to non-cash and appreciating assets, such as a commercial property purchase – assets that are generating income.

The key message is to do due diligence before making that investment and having the mechanism to be able to measure the incremental returns on your investment year after year. Again it comes down to getting good advice, based on your true financial situation, says Lisa.

RULE #8: ASSET RICH, CASH POOR – WHY CASH STILL RULES

When fluid funds are diverted to assets that generate passive income, or eliminate the requirement for your business to pay rent to a landlord, this is making your money work for you.

"Having access to fluid funds by being smart with your money, as well as financial resources you can tap into, and the ability to keep up with your liabilities, all proves why cashflow still rules in business," says Lisa. Avoid paying unnecessary interest fees and rents, she adds.

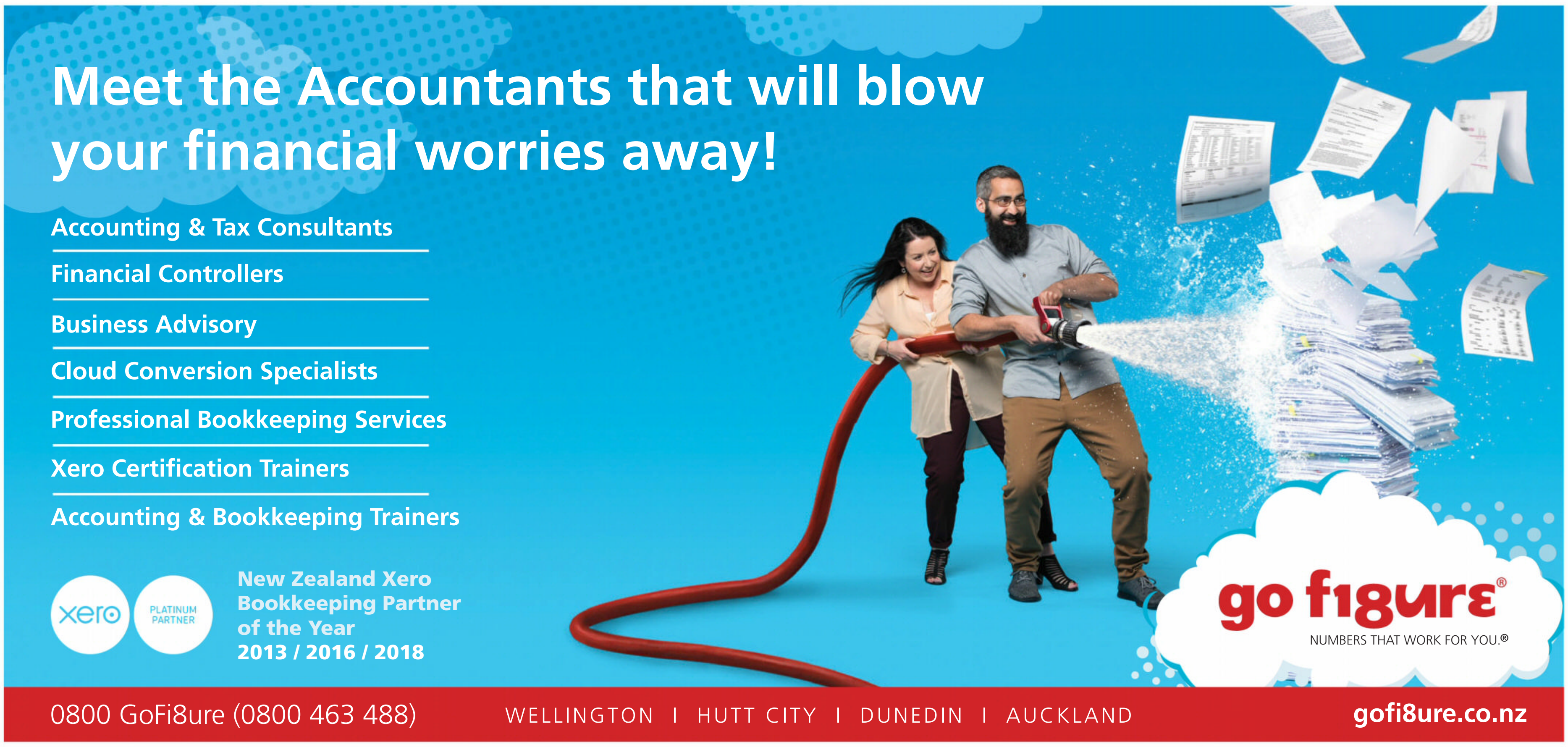
As for business credit card use?

It can only be justified if you can make use of the 30-day free-credit allowance, and you pay the balance in full.

"Remember business is about paying your liabilities and bills in a timely manners and minimising interest payments. Paying off credit cards and mortgages are your first priority," explains Lisa.

"We live in uncertain, yet emotional times, which means we can be tempted to spend unnecessarily. So it's important to be non-emotive, to think things through, and do your homework."

Knowledge should be your priority, she says. "Learning about discipline and money management is so vital. Business is not about chasing the 'almighty dollar' – it's about creating positive experiences for other people to enjoy your business." ■



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BY EDITOR **GLENN BAKER**

SHOW US THE MONEY: A GUIDE TO RAISING CAPITAL

SECURING INVESTOR FUNDING IS THE KEY TO ACCELERATING BUSINESS GROWTH, PARTICULARLY FOR FLEDGLING VENTURES. *NZBUSINESS* SHARES ADVICE FROM THREE OF NEW ZEALAND'S LEADING FUNDING PLATFORMS.

THE MONEY ISSUE

JACK MCQUIRE

BARNABY MARSHALL

SIMEON BURNETT

It was well-known US venture capitalist and author Richard Harroch who said, “It’s almost always harder to raise capital than you thought it would be, and it always takes longer. So plan for that.”

It is true that raising venture capital can be daunting for fledgling businesses, but at the same time, investor funding has never been more available, accessible or flexible. And yes, with such a diversity of funds, boutique investment banks, angel groups and crowdfunding providers out there, it may not be easy. But planning, and seeking the best advice, is vital.

Jack McQuire and Barnaby Marshall, partners at Auckland-based Icehouse Ventures, say venture capital primarily works the same in New Zealand as anywhere in the world. Investors (whether an individual high net worth, a fund, corporate or group of angels) invest for a minority ownership position in the business.

“Every investor has different preferences about what they’ll invest in, the terms they offer, and how they’ll contribute to the business beyond their capital, but for the most part they are small variations on the same approach,” explains Jack.

Available capital has grown considerably – Icehouse Ventures invested almost three times as much capital in 2021 compared to 2020, despite the uncertainty caused by Covid.

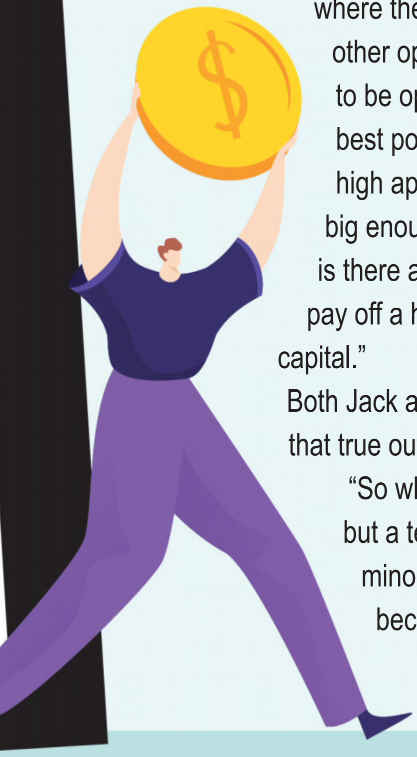
“There are more investors than ever, and those who’ve been around a while have more capital to invest,” says Jack. “This is forcing investors to offer more, and different, value to business founders to stand out, creating more options for founders to find an investor who’s a ‘perfect fit’ for them.”

Jack says an emerging alternative to venture capital is ‘venture-debt’, where funds provide both working capital and growth capital without taking equity.

“It suits larger, later-stage businesses but presents an attractive alternative for founders who want a different option than venture capital without mortgaging their home.”

Barnaby Marshall says Icehouse Ventures looks for businesses with ‘exceptional founders’ who have unique insights into markets or technology, or tackling global problems. “They demonstrate bravery in the face of seemingly insurmountable challenges and are committed to what is often a decade or longer journey to build an iconic, enduring and impactful business.”

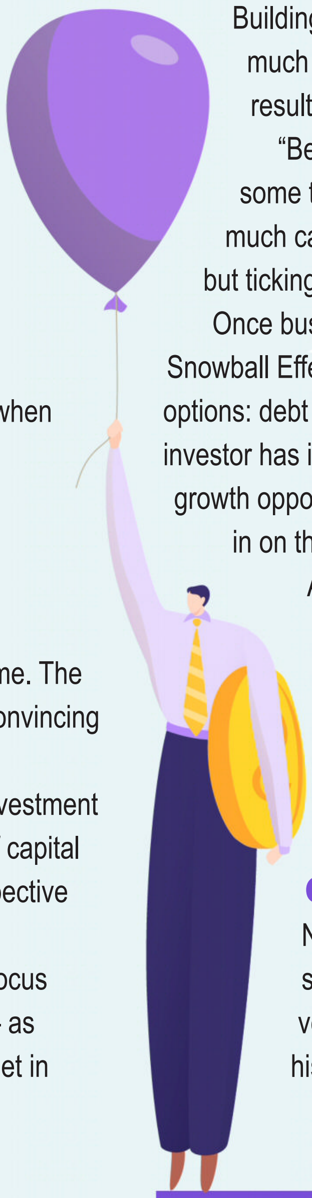
In terms of return, investors want ‘great’ not ‘good’, says Barnaby. “The venture investment model is typically based on the pursuit of outliers, where the biggest success in a decade could be larger than every other opportunity combined in the same period. This forces us to be optimists, spending more time looking to understand the best possible outcome rather than the worst. There’s typically a high appetite to take significant risks provided the end prize is big enough and feels attainable,” says Barnaby. “The downside is there are lots of businesses that probably will do well, but won’t pay off a hundred other failures, so aren’t the best fit for venture capital.”



Both Jack and Barnaby believe that most venture capitalists agree that true outliers are built by founders, not managers.

“So when we’re investing we’re not investing in just a business but a team to lead it,” explains Jack. “This is why we take minority positions and focus on founder ownership and control, because they’re expected to be in the driver’s seat for the

> "THERE ARE LOTS OF BUSINESSES THAT PROBABLY WILL DO WELL, BUT WON'T PAY OFF A HUNDRED OTHER FAILURES, SO AREN'T THE BEST FIT FOR VENTURE CAPITAL."
>
> *– BARNABY MARSHALL, ICEHOUSE VENTURES.*



foreseeable future. We step in and get active to help along the way, or when things really go off the rails. But our strong preference is to be one step removed from the day-to-day – unlike some investors, such as private equity, who might take a more heavy-handed approach."

HOW TO ATTRACT INVESTORS

Build a business that investors want to own a piece of, and they will come. The best way to do that is to focus more on building the business, less on convincing others to invest in it, advises Barnaby.

"While it might seem counterintuitive, I'd only engage with venture investment when it is absolutely necessary and not a moment sooner. Once lack of capital is holding back the business, that's when it is time to engage with prospective investors," he says.

"Research them, reference check them, and try to understand their focus before you engage. Once you're convinced they're a fit for your vision – as opposed to trying to pivot your vision to be a fit for them – then simply get in touch and share your story."

THE COMPLETE PACKAGE

In New Zealand businesses are well catered for by the local capital raising market – there are options for all size companies, large and small. The capital raising providers come in all sizes too.

One service provider that's grown exponentially in recent times is Snowball Effect.

It offers bespoke capital raising services for private companies in early expansion or growth phase seeking $1 million to $20 million of equity, debt or both. It also targets businesses looking to scale up internationally, with food and beverage, software and technology being three of its most served industries.

"Our current focus in the market is between angel investment for startups and traditional private equity for more mature businesses," says Simeon Burnett, CEO of Snowball Effect. "Since 2014, we've raised over $125 million for a diverse range of companies operating in a wide range of industries."

Simeon says they offer a complete capital raising package and access to a wide range of investor options. "It's an efficient and effective way to raise funds. Our investors range from high net worth individuals, private equity and venture capital funds, through to retail investors."

"In addition to capital raising, we offer a suite of ongoing services that enable companies to grow efficiently, including share registry management, shareholder communication and secondary share trading tools."

For business owners looking to raise capital, Simeon says it pays to come prepared, with your business strategy, a proposed valuation and a financial model that makes sense. Have those capital raising conversations well ahead of requiring the funds.

"It can be a time consuming process and things can change along the way. Building in contingencies is vital to avoid putting the business under too much financial stress, which is more often than not very harmful to the result of a raise.

"Before a company approaches us, we encourage them to spend some time defining their company goals and working out exactly how much capital they need to raise to achieve them. It might sound obvious, but ticking this off upfront will help later."

Once business owners have a clear picture of their company's goals, Snowball Effect advises them to spend time exploring the capital raising options: debt vs equity, public vs private, strategic vs passive. "Each type of investor has its advantages. Strategic investors can provide advice and open up growth opportunities whereas passive investors may be less inclined to weigh in on the direction a company is taking."

A common mistake is financial forecasts that are not up to scratch, or simply don't align with the stated growth strategy, says Simeon. "Ensuring that your financial projections are well thought through and realistic will save you significant time once you get into the capital raising process, and give you clarity on the amount of capital that you need to raise to fuel the growth of your business."

CHANGING TIMES

New Zealand's capital raising market continues to evolve. Early stage (angel) investment continues to rise each year and the venture capital available in New Zealand now has far exceeded historical records, with many offshore funds looking to New Zealand

→

THE VENTURES HIGHWAY

Flexibility is the key word to describe Icehouse Ventures' investment approach.

"We've backed solo founders with little more than a pitch deck, and backed businesses with hundreds of employees and tens of millions in existing revenue," says partner Jack McQuire.

"The starting point is typically a pitch deck and a budget. From there we can be more tailored in what we ask for to understand the opportunity."

Jack says they avoid running 'programmes' that are the same for everyone, instead engaging with each founder based on what they need – whether it's support at the board table, hiring their team, finding product market fit, or surrounding themselves with a community of founders on the same journey.

"It's hard to pick favourites but we've been privileged to play small roles over recent years in the journey of companies like Sharesies, Halter, Mint Innovation, Crimson Education, Dawn Aerospace and First AML, to name a few of those who are further down the track."

He says Covid has generally only made things faster and more efficient for most investors and founders. "Although we still like to get together in person from time to time, when permitted."

IN WITH THE CROWD

Since its arrival in New Zealand in 2014, equity crowdfunding has become an increasingly popular platform for raising capital. Impact organisations, such as social enterprises or businesses with an environmental or social focus, are particularly well suited to it.

"These are businesses that have a loyal crowd of customers and a good story," says PledgeMe CEO Dr Claire McGowan.

Claire shares the '3 Cs' of equity crowdfunding eligibility:

- A good **Company** that people can relate to, has a good proof of concept and performs well.
- A **Crowd** of customers and loyal fans who are well connected.
- Good **Communications**. A company that is deeply in touch with its brand.

So how do you prepare for an equity crowdfunding campaign?

Claire says talk to your customers, friends, family, partners and anyone else closely connected to the business, about your plans. "Make sure you properly gauge the interest before deciding to move ahead," she says. And doing the PledgeMe CrowdfundingU (CFU) programme effectively prepares businesses for an equity campaign.

To go ahead, the '3 Cs' will need to be in place. Communication leading up to, and during, the campaign is essential. You will need to be set up for strong progress after the raise; have talked to your crowd and gauged their interest in investing; and received a strong, documented response to go ahead.

PledgeMe has many examples of successful crowdfunding campaigns. "Any of our case studies[1] work and show how campaigners can succeed," says Claire. "Three examples are OCHO[2], Happy Cow Milk[3] and Parrotdog[4]. All three had received strong indications from their crowd that they would invest and all had really strong, well-planned communications plans."

If you're crowdfunding for the first time, start by checking the interest of your crowd. Establish whether they would want to own a piece of your company and what the value for them would be.

"If you're not receiving a strong enough response, maybe that means you need to wait a bit and work on your value proposition, your customer base, and your communications with them for a while first," suggests Claire. "If it's a very weak response, maybe it means equity crowdfunding is not right for you right now."

The FMA provides a report on peer-to-peer lending and equity crowdfunding. The latest report can be found on its online news page[5]. Depending upon the business opportunity itself, the alternatives include: growing through sales, corporate investment, or private investors (either individually or via an angel group).

"In many instances these can prove to be complementary, and we would recommend the business owner explore all of their options," says Claire.

> STRATEGIC INVESTORS CAN PROVIDE ADVICE AND OPEN UP GROWTH OPPORTUNITIES WHEREAS PASSIVE INVESTORS MAY BE LESS INCLINED TO WEIGH IN ON THE DIRECTION A COMPANY IS TAKING."
>
> *– SIMEON BURNETT, SNOWBALL EFFECT.*

for high quality investment opportunities.

"Private equity firms have been increasingly raising larger funds, meaning their minimum investment size has increased from around $10 million when Snowball Effect was starting out, to $15 million or more now," says Simeon Burnett, adding that his company now has more opportunities to help a wider range of businesses.

Generally speaking, long term money printing by central banks globally has kept the capital markets flush with increasing amounts of capital, he explains, and this is certainly evident in New Zealand.

"Any part of the capital markets are now viable for us to look at. We are now talking to several companies looking to raise capital in excess of $20 million.

"Credibility in the capital markets takes time to build, and we believe we're now in a very good position to be able to offer a wide range of financing solutions for the companies that we work with.

"Beyond 2021 we hope that we can do our part in making the equity capital market in New Zealand more accessible to investors, and more efficient for companies to raise capital," says Simeon.

STRONG MARKET

It will be interesting to see how the shakeout from the pandemic plays out on the capital raising market, Burnett believes. "Many businesses have been well positioned to capitalise on the pandemic induced environment, or have pivoted their businesses to survive and grow in a new direction."

With record amounts of capital available, and many households unable to spend discretionary income as easily, he says the capital raising environment in New Zealand is extremely strong at the moment with many believing there has never been a better time to raise capital.

"At Snowball Effect, we continue to reach record heights in terms of the number of companies we're working with and the amount of capital we're raising. For context, out of the total $125 million we have raised to date, we have already raised more than $33 million in FY21 and have a full pipeline of raises booked for the remaining five months of the financial year."

Icehouse Ventures' Jack McQuire says it's important to view venture capital as "fuel in the tank". "But it is neither the destination nor even the point of the journey. Stay focused on the 'North Star' of building something iconic and the rest will follow.

"There are plenty of people better qualified than me to offer predictions of the future. I prefer to accept it's uncertain and can change quickly," says Jack.

"That said, I'm a natural optimist. I say 2022 will be a continuation of the past few years of growth; in the number and ambitions of founders, the availability of capital and the possibilities for business to create a positive impact on the world." ■

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[1] https://guide.pledgeme.co.nz/all-case-studies

[2] https://guide.pledgeme.co.nz/case-study-ocho

[3] https://guide.pledgeme.co.nz/case-study-happy-cow-milk

[4] https://guide.pledgeme.co.nz/case-study-parrot-dog

[5] https://www.fma.govt.nz/news-and-resources/media-releases/peer-to-peer-lending-crowdfunding-2020/

SUPPLIED CONTENT

WAYS TO KEEP CASH IN YOUR BUSINESS FOLLOWING LOCKDOWN

The easing of lockdown restrictions and the introduction of the Covid Protection Framework has at least provided some certainty for Kiwi businesses and consumers alike. It's been a tough two years, but as we embark on 2022, many businesses are starting to find their new business as usual with vaccine passports and what the traffic lights system means for them.

The global pandemic is far from over, so it's wise to look at ways to improve your cash flow and increase your profits to enable you to continue trading through whatever challenging times may still lie ahead.

Here are just some of the ways Bartercard can assist your business to build the cash reserves needed to see you through the tight spots.

ATTRACT NEW CUSTOMERS

BRINGING NEW CUSTOMERS THROUGH YOUR DOOR

If your customers have fallen away, it can take a lot of time, effort, and money to bring them back in again or even begin to attract new ones. Bartercard provides the tools and support to get new customers into your business without the need to spend money on hiring additional resources or expensive advertising.

Bartercard members advertise their business at no cost to potential customers. You don't need to offer incentives, discounts or reduce the price of your products and services. Members are happy to pay you the total price if it means they can use their trade dollars instead of cash. This also gives you the edge over your competitor, who is only operating in the cash economy.

Treat your Bartercard clients well, and they'll also refer their cash-paying friends to your business so you can build both your trade dollars and your cash income!

UTILISING SPARE CAPACITY IN YOUR BUSINESS

No business has been trading at 100 percent capacity in recent months. There will always be vacant spots to fill, such as an empty table at a café or a hotel room. The hairdresser usually has available time slots, the café goes through peaks and troughs, and the accountant can generally squeeze in additional clients.

This excess capacity can be converted into income for your business. Your cash business should be covering your fixed overheads such as rent, wages, electricity, internet etc. Bartercard customers help fill your vacant spots and bring you in trade dollars which you can then use to offset your cash expenses.

SELLING YOUR SLOW-MOVING STOCK

Idle or excess stock can also be turned into income for your business. Selling your slow-moving stock through Bartercard (at full price) clears the way for you to purchase new stock. You may even be able to buy some new stock using your trade dollars, keeping even more cash in your business.

Bartercard members are always keen to spend their trade dollars and would rather pay the total price for your products using their trade dollars than get a cheaper product elsewhere and have to part with cash.

OFFSET YOUR CASH EXPENSES

Having additional income flowing into your business in trade dollars enables you to purchase items for your business and save your cash. You can use your trade dollars to pay for things such as shop fittings and upgrades, computer programs, advertising and marketing, printing, and car servicing. Almost every industry is represented in the Bartercard member community of over 10,000 cardholders in New Zealand.

You can also use your trade dollars for non-business expenses such as holidays, beauty services, gifts and dining out. Every time you spend your trade dollars, you're keeping more cash in your business.

BARTERCARD GUARANTEES YOU EXTRA SALES

Bartercard generates new customers for your business and can also bring cash-paying customers through referrals. On average, you can expect a 10 percent increase in customers through Bartercard. If you're keen on more, the sky's the limit as you get to choose how much new business you want. So, start attracting new customers today! ■

bartercard

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Q&A

LIVING, SHARING, THE DREAM

SALLY DUXFIELD

SALLY DUXFIELD LEADS IN THE ART OF EXPERIENTIAL ARCHITECTURE, LEADERSHIP COACHING AND MENTAL FITNESS TO INFLUENCE CHANGE. SHE IS OWNER OF MAKAHIKA OUTDOOR PURSUIT CENTRE IN LEVIN, AS WELL AS ARETE – AOTEAROA'S FIRST FULLY SUSTAINABLE, LUXURY OFF-THE-GRID RETREAT. SHE TALKS TO *NZBUSINESS* ABOUT THE PEOPLE, PROJECTS AND PASSIONS IN HER LIFE AND THE GROWTH EXPERIENCES AVAILABLE TO BOTH COMPANIES AND INDIVIDUALS.

NZB What have been the defining moments in your career that helped steer you to where you are today?

SALLY: I was privileged enough to spend nearly 16 years with the New Zealand Defence Force. The early 80s were with the Army Aviation Unit and I then completed my commission with the RNZAF as an operations officer in the Special Duties Branch. Some ten years later, leaving that career to pursue motherhood, I was soon in need of stimulation (no disrespect to my gorgeous daughter), and discovered the joys of establishing my own consultancy in late 1997.

Pivotal moments for me include the realisation that dreams are achievable with great planning. I mean, who doesn't know this? How many of us have had our passion and dreams stymied by external commentators, saying things like "that's nice but you really need a proper job" or, "that's so risky, you should just appreciate the job you have". These are well-meaning friends, mothers and fathers quite possibly trying to protect us from disappointment, but unbeknown to them, smashing our aspirations of 'unicorns and tiaras' into an unreachable or unattainable possibility. Or, simply, we didn't have the skills to break the dream down into achievable chunks, so it always remained overwhelming.

When my husband retired nine years ago it was an absolutely defining moment for me. Overnight, I went from a six-figure income to "Hi darling, I'm retiring at 57, if you could just keep me in the manner I've been accustomed to, it would be grand."

Heck, I had to replace that income! Here I am, some ten years later, the primary income earner, having quadrupled our income and grown a sensationally fun business or two. And I have found a use for my stay-at-home hubby – he builds things!

NZB Who've been the key people in your life who've helped you along the journey? What contribution and advice did they bring?

SALLY: I love this question. We seldom take the time to reflect on those who have left their legacy on us. Air Vice Marshal Robin Klitcher taught me about the gift of language, articulation of message and attention to detail. My father taught me his extraordinary work ethics, trading on a handshake and seeking naughtiness and fun in most things in life. My mother shared her gift as an extraordinary hostess, her love of food, dinner parties and how to turn out a meal for 20 in a very short time – which has become my gift of Manaakitanga.

NZB What is the story behind Arete? Why is being off-grid and carbon neutral so important to you?

SALLY: Isn't it interesting when you compare yourself to another? All of my business adventures, growths and ideas have come from the 'Blue Ocean' model. What is in the market that is abundant and low investment? And what is in the market that is scarce and high investment? And what does the slice of the ocean look like between those two?

My desirables for Arete Retreat were no WiFi or power plugs, and magical forest or bush to inspire and embrace my clients while we discover our journey.

These were the blue ocean pieces – clients absolutely present with you for two to three days, with no external distractors.

I found nothing that met all of those criteria. So, with my usual bulldozer activator personality, I thought 'bugger it, I'll build my own'. And that's how it started. No forecasting, no budget, unicorns and tiaras in my head – building started two years ago and the finishing details are under implementation as I write this.

Clients have blessed us with their presence for the past year, and we are regularly hosting a range of small groups, from high performance athletes and managers, to executive leadership teams, through to yoga retreats and well-being weekends.

Our home is on-site. We are surrounded by kereru, large wapiti stags, and ruru sweep our skylines at night.

My desire is to ensure we manage our environment; to ensure we leave a legacy for generations to come. To be totally present strongly supports the neuroscience of de-stressing, reducing overwhelm, alleviating dopamine stacking. This aligns with my expertise and market position working in the neuroscience space of high performance, decreasing overwhelm, and leaving individuals and organisations with an immense sense of control and well-being.

NZB How has your business been impacted by Covid-19?

SALLY: Covid was both a blessing and hindrance for us. We managed to complete a huge amount of building and landscaping during 2020, keeping my team engaged and employed. 2020 saw us lose close to $350k of revenue. 2021 saw another $150k of bookings being lost; that combined with nearly $120k in cancelled or postponed school bookings have stretched our financial reserves.

But to balance this, I am struggling to keep up with my consultancy work. Therefore the purposeful building of three strong silos of income – Makahika OPC, Arete NZ, sallyduxfield.com – has worked perfectly.

NZB What has the pandemic taught you about business management?

SALLY: A question close to my heart. I start with Dream. Don't stop dreaming. It's a time to lean into the challenge, think outside the square and be fluid with your skills. That delightfully overused word 'pivot' is actually a good start. It's not so much to stop and redo, it's more about what can we do differently with what we have or do. It's the imagination piece, the brain storming and setting our mindset to seek the opportunity, joy and adventure of the unknown.

NZB How confident are you about the future of your businesses? Indeed, what is the future for Arete?

SALLY: It's on track for 2022, and actually over-performing based on projections. It can't fail; it's the most divine experience, unchallenged by others in the Australasian market with a model that can be repeated worldwide.

The funny thing is, I can see my accountant at his doctors complaining of chest pains every time he speaks with me – and my on-site team in absolute fascination about what's going to come out of my mouth next. I'm totally confident that we will continue to soar and achieve and to serve others by creating experiences to inspire change.

NZB What advice can you share with other people who are considering starting up a business?

SALLY: Dream, Plan, Do, Be!

Articulate your Dream. Get the flip-chart and brainstorm with your partner, friends, strangers, coaches, anyone – go for the exploration of all things shiny that you see in your vision.

Then bring it down narrow and deep. Do one or two things really well to start with. Do not become a font of all knowledge. Do not have 53 products – have two to three great ones. Embed, then rework the dream and push it out slowly.

Learn how to effectively plan. Understand the neuroscience of planning, the how to gain control of your world (OK, just buy my book at this point and come on a planning retreat!).

Then just start. Pick the elephant that you're going to focus on and then just choose an end to start at. Any end will do, but you have to start. I adore the five-minute procrastination beater rule. Start the thing you've been avoiding and commit for five minutes. Assure yourself if after five minutes, if you're still hating it, you can stop and move onto something else.

But about 90 percent of the time, once you're doing it, your little brain goes, "actually, that's not too bad", and you can smash it out and sit and soak up the serotonin and dopamine release, satisfaction and pleasure!

Next, tick off the list. Write a list and methodically every day, tick it off. Transfer at day's end the things you haven't achieved and put them onto tomorrow's list. (Oh, and now's a great time to buy my Plan It, Do It planner that partners with my book!)

Invest in a business coach. Serve yourself so you can serve others. Reflect. What will I do more of, what will I do less of?

Then define, reapply and repeat. Oh, and seek Joy! ■

BY EDITOR **GLENN BAKER**

RIDING HIGH

NELSON-BASED HYBRID BIKES RECEIVED THE SUPREME ACCOLADE AT THE 2021 DAVID AWARDS. FOR OWNER MANAGER FRANK WITOWSKI IT'S FURTHER PROOF HIS BUSINESS, AND PRODUCT, MEETS A HIGH PERFORMANCE BENCHMARK.

SMART SAM PLUS

The David Awards roared back into life in 2021. They're a proving ground attracting a high calibre of New Zealand's smaller owner-driven businesses. That's the view of Frank Witowski, the driving force behind Hybrid Bikes, who was thrilled to be awarded the Supreme Award in October following another tough year of Covid disruption.

Frank's business, which manufactures carbon e-bikes to his own design and engineering specifications, has won numerous accolades around the country in a relatively short period of time. He utilises a specialist overseas manufacturer to produce the components and then, as each shipping container arrives, is heavily involved in assembling and dispatching each bike to customers around the country – with an increasing number being sold offshore.

For Frank, a gifted engineer with experience across a wide range of industries, running such a hands-on operation is a far cry from his previous ventures – one of which involved designing "New Zealand's most efficient" solar water heating system. He remembers pitching that technology to Richard Branson, but unfortunately the timing wasn't right for the head of the Virgin empire.

A subsequent offer to Rinnai Australia was scuppered by the crash of the US dollar exchange rate.

E-bikes, on the other hand, are surfing a wave of popularity around the world.

"From an engineering skills perspective, e-bikes are comparatively quite easy," Frank says.

DOING IT DIFFERENTLY

Frank's driving mantra all his working life has been to build things differently, but not promote his own name.

"While it can be risky, it's important to do something others aren't doing."

With his bikes, the difference lies primarily in the carbon construction. It is stronger, yet more forgiving. And most importantly, it's lighter. When you're loading one onto the back of your SUV or ute, that makes all the difference.

If you get the price point right (<$5k) and have a streamlined direct-sell business model – and Frank has both – then you're onto a winner. A high-spec e-bike for the purist with an affordable price tag.

Not surprisingly, Frank definitely had his share of detractors when he first started Hybrid Bikes – but not anymore. And although, for now, he may not be generating as much turnover as some of the bigger brands, Frank's happy that there's enough money coming into the bank to keep developing new ideas.

BIG VISION

It may come as some surprise to learn that Frank is not a dedicated cyclist. Engineering makes up the bulk of his DNA, along with a desire to exactly meet what a discerning market demands. He's got the spreadsheet to prove it.

Besides, in the early days he had visited a German trade show and seen how little competition there was in the international carbon-fibre trail and commuter bike arena.

HYBRID BIKES
2021
SUPREME AWARD
DAVID
THE DAVID AWARDS
HYBRID
DESIGNED BY WITOWSKI
SMART SAM PLUS
ROCKBROS
CATEYE

"YOU DON'T HAVE A BUSINESS WITHOUT CUSTOMERS, SO THAT IS WHY I LOOK AFTER THEM. THAT'S WHY I GO THAT EXTRA MILE FOR THEM."

In Europe Frank had also seen the winning way to market his bikes – namely online retail.

Can you sell a premium e-bike online? Turns out you can when positive feedback gets shared; when people believe in your product; and when there is a full money-back guarantee (provided the bike is still in showroom condition and has travelled less than 50 kilometres).

To date, none have been returned.

Personal customer care has also contributed to Hybrid Bike's excellent reputation. Frank says he is always happy to answer the phone, even if it's early in the morning or late at night.

"You don't have a business without customers, so that is why I look after them," he says. "That's why I go that extra mile for them."

BIG WORKLOAD

Apart from a retired mechanic friend who helps out with e-bike assembly at peak times, Frank has been a one man band. He admits that he finds his business increasingly difficult to manage by himself, and it's not helped by having fluctuating workflows and cashflows based on the delivery of each shipping container. This also creates a shortage of storage. Forty-foot containers take up a lot of space on his semi-rural property.

He's looking forward to the time post-pandemic when he can travel freely back to his overseas factory partner to teach them how to improve pre-assembly in order to save him time on custom assemblies.

"It could cut my hands-on workload by two-thirds," he admits.

The ups and downs in sales, caused by swings in the covid pandemic, have also created some major challenges, he adds, not to mention added pressure and stress on him.

"It would be so nice to have a crystal ball in times like this."

USEFUL ADVICE

Looking back to the early days of Hybrid Bikes, the 52-year-old is thankful that he had a sufficient nest-egg from his solar business to launch the company. He's also aware that he is careful with money and maintaining cashflow.

This is his advice for people looking to start up a business. Have sufficient cash in hand to get you over any dry spots in sales, and keep a close eye on the business's financials.

With the arrival of covid, Frank is grateful for being in the right industry at the right time.

Be wary of investors who want to hand over a lot of money too, he says, because you will ultimately be giving up control of your business.

As for Frank, he remembers when he made the decision to launch Hybrid Bikes. He had survived a cancer scare. There were no job offers on the table. It was time to seize the moment, and he has never looked back.

He's pleased to say that in a recent high-profile survey of e-bike brands in New Zealand, his garage-based business ranked number two, flanked by two global billion dollar companies.

"I've been lucky so far. Let's see where this takes us," he says.

"One thing is for sure, it will get much bigger." ■

HOW THE WORLD SEES US NOW

DAVID DOWNS GOES AROUND THE WORLD TO SEE WHAT OTHER MARKETS' CURRENT PERCEPTIONS OF NEW ZEALAND CAN TEACH US, AND IDENTIFY WHICH OF OUR VALUES WE SHOULD SPOTLIGHT IN 2022.

There can't be many bigger learning opportunities for countries than a pandemic. In 2020, New Zealand earned international acclaim for its swift management to keep Covid-19 out by closing our borders. Now, our global counterparts are asking 'at what cost'?

As the government agency helping businesses tell their story to the world, New Zealand Story late last year released research revealing key shifts in how the country's trading partners perceive New Zealand in 2021 compared to 12 months prior. It brought into the spotlight some positives, as well as some flags.

The research, conducted by One Picture in August and September 2021, shows New Zealand continued to be perceived as progressive, inclusive and decisive by the majority of key international markets including Australia, China and the US. However, some markets including Germany, Dubai and Japan were forming perceptions that New Zealand was isolated, unfamiliar, unprepared and closed.

I believe there is huge opportunity to leverage the positive attributes the world now sees in New Zealand. Some of these values were evident well before the pandemic, but some have emerged as a result. On the flip side, businesses also need to address and combat some hard truths that emerged in select markets.

Being closed in a pre-vaccine world earned us respect. However, the world has quickly started to re-open, with vaccination rates and re-opening strategies now the new measures of success.

At the time of going to print, the Government had just revealed our border reopening plan – giving New Zealanders, expats, and offshore stakeholders certainty around what to expect in 2022.

We've been sharing our research with the business community so exporters can understand the changes in sentiment in our key markets as they plan for 2022.

Here are the key findings:

United Kingdom: For the UK, the strengths of who we are came into sharper focus than the distance of our location. As the UK looked to rebuild its own nation, there was a sense that our size and location had made us an easy country to manage Covid-19, but our approach still stood out as globally more competent.

Australia: Australia had to deal with the resentment of their own loss of freedom, and so New Zealand had become more aspirational. It had moved from a place to visit, to a strong country they admire. As they struggled with their own leadership and Covid-19 response, their respect towards New Zealand, our people and leadership had grown.

US: As they regained confidence, Americans judged success against both protection of people and economic stimulation. They admired us from the outside but questioned New Zealand's logistical challenges and economic uncertainties related to our closed borders – preferring to see more pragmatism.

Germany: There was a subtle shift from outward to inward that may extend to those close by, but alienate those who are further away. We were perceived as beautiful, friendly, but not open and still too far away, with some questions of our Covid response.

China: China's confidence in themselves and their government was greater than ever, and they perceived New Zealand as a 'lesson' in social equality, inclusiveness and harmony. We were seen as more socially progressive, safe and inclusive than Europe and the US. China looked up to our social structure. We were one of the few Western countries they were looking up to.

Japan: Their confidence in their own nation was severely shaken. New Zealand was admired for its beauty and laid-back nature, but in some ways behind the times. We need to be seen and heard from – they want more than our scenery and negative lockdown connotations.

Dubai: Dubai had great self-confidence in their place and Covid-19 status compared to the world. New Zealand was perceived as a self-contained oasis that needs to be louder and more integrated with the world. The pandemic had reinforced our image as an isolated yet self-sufficient nation, but our approach felt unsustainable in the long run. Our lack of visibility was often pushing us to the 'back of mind'.

India: India perceived us as a highly desirable place, but often out of reach. While New Zealand displays qualities that make our destination and products desirable, so do most other Western countries. Our challenge is convincing India that we are worth the price premium.

Brazil: Brazilians viewed New Zealand as a small but progressive nation that handled Covid-19 well. Our protection drove admiration, and there is continued respect towards our government and people for putting human lives before the economy.

TIME TO MAKE OUR MARK

With our borders no longer shut, 2022 is the perfect time for New Zealand's largest sectors to show the world we're once again fully open for business. It's timely to leverage the evidence that the world cares about who we are, how we live, and how we treat others.

To combat any negative perceptions, we need to highlight the positives of our pandemic response, and how that demonstrates the core values others admire in us – our care for people, and our willingness to make tough decisions to do the right thing.

DAVID DOWNS.

The research highlights the need for New Zealand to share its stories in order to make the country stand out as a trading partner, ensuring New Zealand is front of mind. Tailored messages to international audiences are important, so our country can welcome back tourists, traders and students.

New associations with New Zealand are positive, with consumers noting the qualities of integrity, ingenuity, care and respect that makes New Zealand stand out. The values of community, fairness, and a place for premium products continues to hold true.

As we head into 2022 with a newfound sense of freedom and connection, we're keen to remind the export sector that New Zealand Story is expanding our consultancy offering. We're ramping up our support for groups focused on an international audience with insight-led advice, working closely with New Zealand Trade and Enterprise, to leverage the positive perceptions consumers and buyers hold of New Zealand.

If you have a business challenge or brief and need some tailored advice, get in touch with Ali Adams, our Consulting Lead.

I wish you a year of vitality. It's been a tough road to get to 2022, but business now has an undeniable energy to get back to making our mark in the world. ■

David Downs is CEO of NZ Story.

BACK TO BUSINESS FOR EXPORTERS

CATHERINE BEARD REFLECTS ON TWO CHALLENGING YEARS FOR THE EXPORT SECTOR, BUT IS OPTIMISTIC ABOUT THE YEAR AHEAD.

It has been a tough couple of years for exporters in terms of dealing with Covid-19 and all the challenges it has presented. These challenges include shipping and logistics constraints, increased costs and unreliable freight movements (both for sea and air cargo and even with some Government support for air cargo).

Our bigger food exporters have survived despite the challenges, with strong commodity prices for meat and dairy helping to offset the higher freight prices. But this won't be the case for all goods exporters, because if they are not scaled up they have less bargaining power and are more at the mercy of forces outside their control.

The Kotahi logistics group, a collaboration between Fonterra and Silver Fern Farms, has been a life-saver for a number of exporters. There are around 50 exporters in the group now and it makes them one of Maersk's significant customers globally, which has obviously served them well. In addition to this, some of the larger exporters and importers into New Zealand have been collaborating on bulk break charters to get goods to market.

It is expected that the global supply chains will have another rocky year, but on a positive note there is a lot of new ship-building going on as well. So hopefully that will come into play sooner than later.

In terms of air cargo, that will remain constrained until such time as we get our tourists back on planes coming to and from New Zealand. It is those "bums on seats" that makes air cargo affordable.

I expect that as the New Zealand public get used to living with Covid-19, with a pretty highly vaccinated population, we will hopefully see the return of tourism and international students in 2022. A lot will depend on keeping hospitalisation rates low.

One of the positives to happen in 2022 is our ability to travel to and from New Zealand without having to go through an MIQ system that was not coping with demand.

Exporters will once again be planning to get out to customers for face-to-face meetings, attend trade shows and fill up the pipeline with new work.

While exporters coped with not being able to travel in the early stages of Covid-19, this became less tenable once the rest of the world started to travel and meet in person again.

It was not just goods exporters that found this a problem, it was our digital and services exporters as well. I heard from NZTE that tech and services exporters went backwards the most (particularly if they were small) and were the biggest cohort wanting an MIQ allocation to travel.

This is not surprising to me, because selling services and ICT products is a lot about relationships, and these take time to build and you need to be in the market to do it.

We have heard reports from exporters that they are moving their families to their overseas markets to support their business development, rather than trying to do it from New Zealand. We are also hearing about manufacturers that are "offshoring" their manufacturing, closer to their customers, to avoid supply chain problems and ensure they never have to endure another lockdown of their business.

While hopefully lockdowns will not happen again in New Zealand as we learn to live and work with Covid under the new traffic light system, companies will do what they need to do to mitigate their risks.

OPTIMISM STILL RULES

Exporters remain an optimistic bunch and our most recent annual ExportNZ DHL Export Barometer found that 62 percent were expecting an increase in export orders in the 12 months ahead. So they are definitely more confident than a year ago and now with a vaccine to support us to tackle this virus, people can see the light at the end of the tunnel. ■

CATHERINE BEARD
is Director Advocacy,
at BusinessNZ.

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And with a national network of branches, each with its own in-house design team, Speedy Signs demonstrates the effectiveness of brand consistency through example.

Each branch is the single point of contact for your business, ensuring consistency across vehicle graphics, marketing collateral, building signage and anywhere else your brand will be seen.

Coordination of delivery is handled by Speedy Signs account managers, so while customers keep running their business, Speedy Signs delivers the business's consistent branding to an exacting high standard.

Speedy Signs' customers range from start-ups to established corporates with countrywide coverage, each receiving the highest level of care and attention, a business practice Speedy Signs has delivered for over 20 years.

A testimonial to this comes from utilities provider Rockgas, which had previously worked with Speedy Signs for one-off branding work, and in 2019 underwent a major rebranding.

Rockgas was owned by Contact Energy and sold to Gas Services New Zealand. All Contact Energy collateral had to be removed and Rockgas' Geoff Keber commissioned Speedy Signs to manage the project.

This was bigger than the earlier branding from Rockgas, but it became bigger again when Rockgas decided to rebrand itself completely up and down the country!

"We chose Speedy because it was a nationwide network, which was easier than dealing with individual companies across the country," says Geoff. *"(Business Development Manager), Rowan Wilson from Speedy Signs Manukau is really affable, and nothing was a problem."*

Rowan organised a national team to roll out the changes – which included the removal and replacement of existing signage, often on flammable surfaces and with significant engineering considerations – and doing it all during the customer's busiest time of the year.

With regular progress updates provided throughout the project, Speedy Signs stayed on top of every detail for almost 200 vehicles and 50 buildings.

Geoff says. *"It was really easy for me to have only one point of contact and Speedy Signs was able to co-ordinate with the other Speedy and non-Speedy contractors to get the job done and I can't express enough the complexity of this project and how thankful I am."*

To get an idea of how Speedy Signs can help you, visit www.speedysigns.co.nz or call 0800 SPEEDY. ■

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SMOOTH LANDINGS

EMMA FAWCETT

EMMA FAWCETT OFFERS SOME TIPS FOR BUSINESS OWNERS TACKLING THEIR EOFY ACCOUNTS IN WHAT HAS BEEN A TOUGH YEAR.

As we enter 2022, many Kiwi SMEs will be approaching the upcoming end of financial year (EOFY) with a fair degree of uncertainty – preparing their books for what has been another unpredictable year for businesses.

As businesses have had to adapt and make significant changes to their operations, with many relying on the Covid-19 Wage Subsidies and Resurgence Support Payment to stay afloat, there will likely be some additional complexity as they tackle their final tax calculations.

After such a challenging year, and even though many businesses (especially those in regions only recently out of lockdown) are still working through a range of day-to-day challenges, it's important to start thinking about EOFY now as opposed to waiting for the deadline to loom closer. Having the right business management software in place can help streamline processes and make a significant difference to how in-control of their finances small business owners feel. Following the advice below and preparing now, will help ensure that it doesn't have to be a stressful exercise.

1. START EARLY

Many business owners tend to avoid anything to do with tax until the deadline gets nearer, glowering under the threat of penalties. However, planning ahead this year will be essential, particularly given that SMEs are more likely to come across complications with their EOFY calculations due to fluctuations in income and changes in business operations in response to Covid-19 restrictions.

In light of this, I'd encourage businesses to set their own deadline and get returns filed early. This might seem counterintuitive, but there's little point in waiting until the last minute when you can get the job done at a more comfortable pace by starting early.

Our recent MYOB SME Economic Snapshot[1] found that more than half (55 percent) of New Zealand's SMEs expect the economy to decline in the next 12 months. This falling confidence reflects the impact on business earnings resulting from the latest Covid community outbreak and subsequent lockdown restrictions, with almost half (48 percent) of those surveyed reporting their revenue is now down on a year ago – compared to just over a third in July.

This predicted decline in the economy is another reason why it's so important for SMEs to start their EOFY filing early – to know exactly where their business stands and to ensure they have more time for any unexpected changes in the trading environment or unavoidable delays.

2. UNDERSTAND YOUR TAX OBLIGATIONS

For many businesses, their response to Covid-19 will have had an impact on their tax obligations – particularly if they've claimed government financial support or have seen significant changes in their usual earning patterns.

Businesses should also consider

[1] https://www.myob.com/nz/about/news/2021/latest-restrictions-take-heavy-toll-on-sme-confidence

financial
year

THE
MONEY
ISSUE

if there have been changes that could impact their obligations around employees, such as staffing levels, hourly rates, and the use of annual leave to top up the wage subsidy. Unexpected costs incurred from covering expenses like moving or setting up employees to work from home, will also need to be accounted for, as well as any reductions in usual budgeted expenses such as stock and office supplies.

3. DIGITISE YOUR BUSINESS PROCESSES

Online business management solutions have revolutionised the way business owners – and their accountants and bookkeepers – manage accounts. Particularly when facing a period of extreme uncertainty (like that created by the pandemic), having the right digital tools in place can help SMEs maintain visibility and control over key aspects of their business. This includes monitoring vital cashflow, recording changes to payroll, keeping track of changes in earnings and most importantly, ensuring their business is compliant and meeting its tax obligations.

A vital tool to support the efficient and productive running of the business, digital solutions greatly simplify end-of year reporting – generating a balance sheet and profit and loss statement for the end of the financial year, and offering a range of reporting capabilities that provide business owners with a deeper insight into key aspects of their operations and performance.

With EOFY just around the corner, getting the full picture of creditors and debtors through these reports can also help SME owners clean up any outstanding payments before the end of the period, and ultimately drive improvements in payment times.

With all the additional pressure 2021 brought for local businesses, finding the right tools to help streamline business management and reduce the stress of tax time is something well worth investing in.

4. REMEMBER TO LOOK AT THE FINANCIAL YEAR AHEAD

While there's undoubtedly a lot to consider over the next few months as business operators come to grips with a new Covid-19 operating framework and prepare for the end of the financial year, I'd encourage SMEs to also take this time to prepare for the new financial year.

In any digital business management solution worth its salt, business owners should be able to access an up-to-the minute view of how the business is running, compare performance over time, and identify where the operation is performing well, and likewise where productivity could be improved or costs reviewed.

As well as taking the stress out of meeting compliance requirements, modern solutions also provide a range of information to support smarter decision making and better forward planning, both of which are crucial to shoring up future success. SMEs have been working hard during one of the most challenging periods in our recent history, all while navigating new ways of operating that they couldn't have predicted. With the strong likelihood of uncertainty lingering for some time to come due to Covid, I'd also encourage all business owners to invest in spending time with their accountant, bookkeeper or business advisor to build a plan for the year ahead.

A plan that provides both the flexibility to adapt and the ability to build on any opportunities that present themselves through the year, will go a long way in helping battle-weary businesses ride out any new challenges to come – and more importantly, capitalise on the unexpected moments that may provide a much-needed boost. ■

Emma Fawcett is general manager, SME at MYOB.

FRANCES BEARNE

EMPLOYMENT

HOW TO HOLD ONTO YOUR BEST PEOPLE

IN LIGHT OF THE SO-CALLED 'GREAT RESIGNATION', FRANCES BEARNE SHARES SMART STRATEGIES TO HELP BUSINESS OWNERS RETAIN THEIR TOP TALENT.

The changes over the past 18 months have not been easy for businesses or employees. It's given many Kiwis food for thought, causing them to reflect on what fuels them personally, in life, and in their careers.

Some have chosen to upskill online or develop a side hustle for extra income. Others have realised they can live without the material trappings that seemed so important before Covid-19 hit.

Given the landscape, where labour and skills shortages are acute due to border closures, it's a candidate's market right now. This is true across the globe with many countries experiencing "mass resignation", where employers are finding it increasingly difficult to retain their staff. Sadly, New Zealand is far from exempt.

As an executive and business coach, I've learnt that many people experienced an epiphany during lockdown, contemplating important questions such as, 'What am I doing with my life?', and choosing to no longer continue in an unfulfilling role or to work for a company that does not support their career goals. What I am hearing more of during conversations with my clients is that personal development and the feeling that their work makes a difference to society or customers, are top priorities for most people.

Thankfully, there are lots of practical steps that small business owners can take to help support their employees in their career goals and retain top talent.

GET TO THE ROOT OF IT

If good people are leaving you, be brave, ask the hard questions to find out why. Start with meaningful conversations with your staff, to collect data around the main reasons.

As part of your analysis explore metrics such as compensation, time between promotions, size and frequency of pay increases, length of tenure, performance appraisals, and realised training opportunities. Taking a deep dive into these areas will help you to identify trends and any blind spots across your organisation.

Determine how resignations are affecting your key business metrics. When an employee leaves you other staff can be lost at sea, navigating a role without the necessary skills or resources.

This can damage your brand over time. It may lead to lower quality of work, time-to-complete projects and affect bottom-line revenue. Start by tracking how increased turnover correlates with changes in other relevant metrics. Then you can identify, not only which employees pose the highest flight risk, but also which employees could be retained with targeted interventions.

IDENTIFY YOUR TOP TALENT AND HOW TO KEEP THEM

Think about who is your top and emerging talent. Take a hard look at whether the organisation has 'fit-for-purpose' capability frameworks and talent development programmes in place to ensure these people are offered what they need to grow their careers.

Consider how your talent development programme distinguishes and supports these top performers. Does the programme include enough flexibility and opportunities for developing new skills and experiences within current training? Do you have a mentorship programme?

Do you allow staff to set their own career goals?

Have a frank and open discussion with your employees. Let them know how you value them. Ask what's important to them, and what they need. The fuller picture will help inform tailored initiatives to encourage their retention and grow a long-term career pathway.

REVIEW ANY ‘KEY PERSON’ RISKS

If someone left next week – taking with them their unique skillset or deep industry knowledge – would it seriously impact your business? If yes, identify these people, then design a retention strategy to make them stick around.

When there is only one person who can do ‘X’ in the business, urgently, put in place risk mitigation strategies to document those processes and train other team members to learn those skills to reduce key person risk.

PAY PEOPLE THEIR WORTH

People know their value and want to be paid their worth, especially in today’s job market where some sectors have acute talent shortages. Are you paying market rates for your roles? If you are unsure, speak to a remuneration expert or specialist recruiter. People are likely to jump ship if they can earn more money in a similar role elsewhere.

Review your remuneration policy and systems, including any bonuses, often. Ensure pay parity and be fair. Some employers are seeing a big gap in pay between existing and recently hired talent, and existing employees are noticing too. When they find out newer talent is doing the same role for more money, they may look elsewhere.

Review remuneration frequently based on a variety of factors. Gone are the days when salaries get reviewed annually – the data can be outdated and less relevant. Instead, think about quarterly or bi-annual performance and salary reviews coupled with regular check ins with your employees.

PROMOTE FROM WITHIN

To help develop existing talent, help retention and save money, think about whether you need to recruit externally for a role. Perhaps there’s some untapped talent already within your organisation who can be coached or mentored to upskill? Due to labour pressures, the time and money it takes to find new staff, this is worth considering seriously.

CREATE A CULTURE PEOPLE WANT TO BE A PART OF

Building a great culture where people can be their true selves is something small businesses can cultivate without huge financial investment. It’s about behaviour and empathetic leadership. Find out what is important to your employees, define your employee proposition and live it.

Everyone wants different things, so focus on tailored engagement strategies that factor in different groups within the organisation. Just like flexible working arrangements but across broader offerings – such as annual leave flexible policies (48/52) or varied working week hours, and opportunities to work on different kinds of projects based on interest and future goals.

As a small business owner myself, I can’t always compete pay-wise with the big players, but I can offer amazing flexibility, training, variety of work and opportunities for development instead.

WELLBEING

The pandemic has thrown people’s work-life balance into turmoil, with home-schooling and longer working hours. Some have experienced anxiety over potential job loss or reduced hours, causing financial hardship and stress.

Some leaders are ill-equipped to have conversations with staff who are suffering from mental health issues. Normalising these conversations is a good start. Share your own vulnerabilities, frustrations, worries and stresses as a leader to your teams. Offer training to those managing teams to help them better support their colleagues through a rough patch.

For example, St John’s now offer an online Mental Health First Aid certificate. Or you could consider an Employee Assistance Programme so staff can access confidential professional advice when they need it.

Show your appreciation to your staff with random acts of kindness, such as a voucher or meal delivery service to working parents. Alternatively, offer your people a weekly mindfulness or yoga class to help manage stress. Other ideas include company-wide ‘device free’ hours, where all employees must disconnect and take some exercise. No meetings should be booked during this time.

Allowing staff additional mental health days each year, care-giver leave if they are responsible for others’ needs, or a day to pursue a community volunteer project, are all ideas that cost your business very little. ■

FRANCES BEARNE IS DIRECTOR OF HUMAN FOCUS CONSULTING AND AN INTERNATIONAL CERTIFIED COACH.

HOW CRYPTOCURRENCY CAN HELP YOUR BUSINESS

EASY CRYPTO'S JANINE GRAINGER OUTLINES THE BUSINESS BENEFITS OF CRYPTOCURRENCY FOR NEW ZEALAND SMB OWNERS.

JANINE GRAINGER
EASYCRY

Cryptocurrency. It's a big word, with big ramifications for all of us, including Kiwi SMBs.

But while most New Zealanders are aware of digital currencies, many businesses are still unfamiliar with what exactly it means for them – now, and in the future.

There is no doubt currency will go digital.

The Reserve Bank is currently consulting on a Central Bank Digital Currency (CBDC) – a virtual form of a country's fiat currency[1], backed by a central bank. The Reserve Bank has signalled it is interested in launching a CBDC, noting the declining use, acceptance and availability of hard cash and the growth in offerings such as cryptocurrency, stablecoins and international CBDCs.

It's just one sign of the growing acceptance of digital currencies, which has further accelerated thanks to the pandemic. From online shopping to digital meetings and the ubiquitous use of QR codes, digital has become less scary for all New Zealanders.

A report from the Financial Services Council of New Zealand found that as at April 2021, growth in the number of Kiwis who have invested or are investing in cryptocurrencies had jumped from just 3.1 percent to 9.5 percent in a year.

At the same time, crypto prices soared at the start of the pandemic and have continued to remain strong. For example, Bitcoin – the most popular cryptocurrency – has risen more than 500 percent since the start of the pandemic in early 2020.

And if you need more proof of how cryptocurrency is moving mainstream, several New Zealand charities, including Plunket, ChildFund and UNICEF, are now accepting digital currency donations.

Nevertheless, for many people cryptocurrencies remain something of a mystery, often with a view that they're for the tech savvy rather than mainstream business.

In reality, cryptocurrencies hold real benefits for New Zealand small businesses, from accepting crypto payments as a way of opening up to more diverse customer bases (and potentially saving money on the high merchant fees for debit and credit card services), to diversifying assets.

There's potential, too, for digital currencies to ease administration headaches for things like GST.

NEW PAYMENTS, NEW CUSTOMERS

We're seeing numerous moves to enable retail businesses to accept cryptocurrencies as payment – something that could potentially open them up to a more diverse customer base.

On the consumer side, there are now credit cards which enable you to spend cryptocurrencies at merchants, one of the bridges being built between cryptocurrencies and fiat currency. The cards allow users to convert their cryptocurrency holdings into fiat currency so you as a merchant won't even know crypto is involved.

On the flip side, Mastercard is offering cryptocurrency payment services on its network. It's only for the US at the moment, but when it rolls out more broadly New Zealand businesses will be able to accept payment in cryptocurrency.

Also, PayPal is enabling bitcoin payments at millions of merchants on its network to US users.

More locally, CBA, ASB's parent, has announced it will offer cryptocurrency purchases for retail bank customers in its banking app in the first half of 2022.

Some US merchants, including restaurants and retailers, are also offering cryptocurrencies as an alternative to traditional loyalty points that credit cards offer users.

FOUR POTENTIAL CRYPTO BENEFITS FOR BUSINESSES

1. Diversification

High inflation is driving investors to seek out alternative investments that can potentially hold up better than cash or bonds and crypto is often considered a form of 'digital gold' because of its potential to hedge against inflation.

But it's not just a hedge option. Crypto is also a good diversification play. Business intelligence software company MicroStrategy is one of a number of big enterprises who have embraced bitcoin. They've made so much money from bitcoin they're now more of a bitcoin company than a

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[1] Fiat money is a government-issued currency that is not backed by a physical commodity, such as gold or silver, but rather by the government that issued it.

%61 16:37
Total Balance
$1,888.88
+$647.66 (6.14%) 24hrs
Bitcoin
$ 87,970.90
0.737030 BTC
$10,488.07
6.66% 24hrs
Ether
$8,123.01
13.737030 ETH
$970.90
6.36% 24hrs

software company.

But it's not just a tactic for enterprises. We're seeing similar moves from our small business customers who are putting some of their business assets into cryptocurrencies rather than holding it in a bank, giving them a different asset class to draw on.

Cryptocurrencies can offer investment products where you get better returns than you can through bank interest, for example. Staking and lending in cryptocurrencies can have annual returns ranging from three to well over ten percent, so they provide a good way of diversifying and getting good returns to boot.

2. Programming away GST woes

Digital currencies are programmable which means they hold great potential for easing some of the headaches of day-to-day business administration for small businesses.

Consider if the Reserve Bank sets up a CBDC. It could be set so that when someone pays you for your services 15 cents of every dollar is automatically remitted to the IRD as a GST payment, removing the hassle of having to hold funds or worry about cashflow.

3. Cashing in on talent

In a tight talent market, cryptocurrency may ultimately become an opportunity to provide a point of difference when attracting staff. Increasing numbers of Kiwis are interested in being paid in cryptocurrency. Some might not take you up on the offer, of course, but it could be a way of showing you're a truly forward-thinking company.

4. The NFT equation

Just as crypto is exploding onto the mainstage, so too NFTs (non-fungible tokens) are exploding onto the scene. Technically, NFTs are unique assets that can't be replaced with anything else and are verified and stored using blockchain technology.

Much of the hype so far has been around digital artwork. Grimes sold US$6 million in digital artworks in early 2021. The Nyan flying space cat meme (yes, a meme) sold for US$590,000. Even Dan Carter has co-founded a company selling digital art as NFTs.

So what's this got to do with business?

Well, leading brands are now starting to look to NFTs to create unique consumer experiences, enabling them to gather further insights from consumers and drive brand loyalty.

I recently heard someone say that in the future the question won't be 'what's your marketing strategy?' but 'what's your NFT strategy?'

What many companies, including small businesses, don't realise is that they're sitting on a gold mine. Leveraging NFTs can create value for customers, and value for your business. Nike, for example, has introduced the 'Cryptokick', where customers are given a digital collectible of the physical shoe they buy. American Express has also dabbled in NFTs, releasing limited edition behind-the-scenes photos of singer-songwriter SZA as NFTs following a virtual concert they hosted.

Companies can use NFTs to create unique consumer experiences, drive brand loyalty with new benefits and generate new revenue streams.

We already have a number of customers who have made NFTs, and made a lot of money on them.

Digital currencies in all their forms, are here to stay. New Zealand SMBs are well placed to benefit from this new future. Now's the time to start thinking about how you can do so. ■

JANINE GRAINGER IS CO-FOUNDER AND CEO OF EASY CRYPTO. VISIT HTTPS://EASYCRYPTO.COM/NZ

18+

WHAT IS
AVAXHOME?

AVAXHOME -

the biggest Internet portal, providing you various content: brand new books, trending movies, fresh magazines, hot games, recent software, latest music releases.

Unlimited satisfaction one low price
Cheap constant access to piping hot media
Protect your downloadings from Big brother
Safer, than torrent-trackers

18 years of seamless operation and our users' satisfaction

All languages
Brand new content
One site

AVXLIVE.ICU

AvaxHome - Your End Place

We have everything for all of your needs. Just open https://avxlive.icu

WHAT YOU NEED TO KNOW ABOUT WINDOWS 11

SHOULD YOU UPGRADE NOW TO WINDOWS 11? BILL BENNETT EXPLAINS THERE'S NO NEED TO RUSH INTO IT. BUT THE DAY WILL CERTAINLY COME.

When Microsoft announced Windows 10 in 2015, the company said it would be the last version of its personal computer operating system. Over the past six years Microsoft has repeatedly tweaked and improved the system – so it's better, but it hasn't changed much.

Meanwhile Microsoft's competitors have marched on. Apple's MacOS was still called OS X when Windows 10 first appeared. Apple took market share from Microsoft as people switched from Windows to Mac computers – some moving because they prefer Apple's operating system.

At the same time Google's Chromebooks won business from Windows in education. It is also popular overseas with large customers like government departments and corporations, although this is less true in New Zealand.

While part of Chromebook's attraction is that the computers are less expensive than PCs or Macs, it helps that the operating system is easier to use.

All of which is why we now have Windows 11. In technical terms it is not a huge jump from Windows 10. People won't need retraining to use it, although they may need time to find their way around at first.

There's a dramatic new design. Windows 11 has picked up some of its looks from MacOS and ChromeOS. If you've used a Chromebook, you should find Windows 11 familiar.

Cosmetics aside, Windows 11 feels almost identical to Windows 10. There are a handful of new features, but few compelling reasons for most users to upgrade immediately.

In fact, many users can't upgrade, because their computers can't work with Windows 11.

In simple terms, you don't need much computer to run Windows 11. The basic requirements are a 1GHz processor, 4GB of RAM and 64GB of storage. You'll be hard-pressed to find anything on sale today that doesn't get over that bar.

Introducing Windows 11

Microsoft also insists on a TPM chip with Secure Boot. That's a little harder to find, yet almost every PC from the last five years includes the chip, so no big deal.

The difficult part is that Windows 11 is fussy about the exact processor version required. It has to be from Intel's Generation 8. Which means, as things stand, it won't run on laptops and desktops using Intel Core i5 processors.

Many, but not all computers sold in the past three or four years qualify, yet popular computer brands were still selling devices with i5 processors until recently. You may even find models still on sale today.

If you brought one of those or make a habit of recycling older computers, you'll need to wait. It is possible to upgrade a PC's processor – gamers do it all the time – but it's not simple for everyday users and harder still if you use a laptop.

To make planning easier, Microsoft has a PC Health Check app which can tell you if your computer is ready for Windows 11. If you meet the requirements the upgrade is simple. If you don't there are workarounds. But you may be better off waiting until either you buy a new computer or Microsoft changes its requirements. There have been hints that Windows 11 will support older hardware at some later date.

WINDOWS 10 SUPPORT CONTINUES

If you are reading this and worrying about upgrading, relax. Microsoft says it will support Windows 10 until at least 2025. That's plenty of time. In the past Microsoft has extended its support after planned switch-off dates, that could be the case with Windows 10.

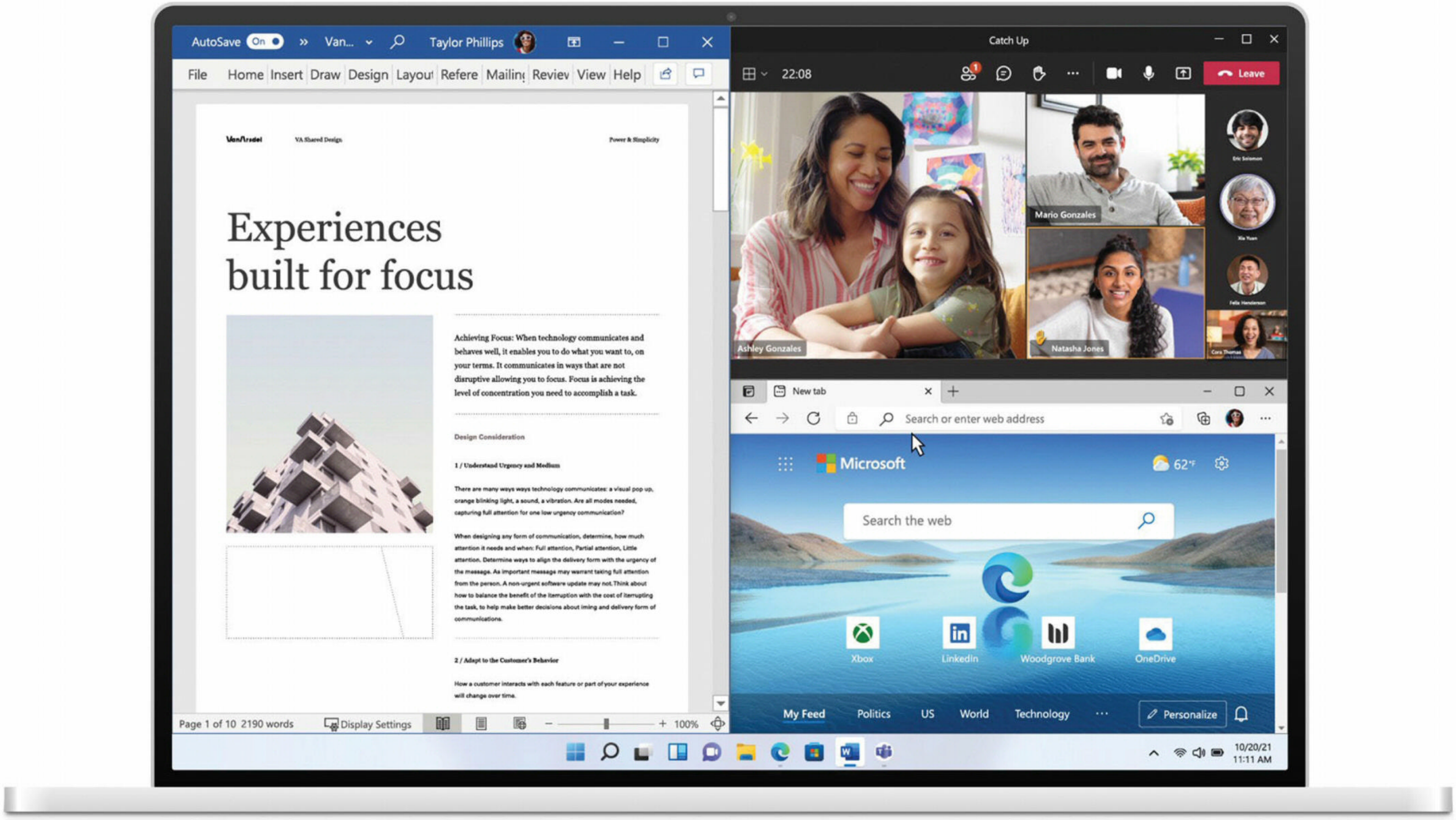
There's little that's essential you can do with Windows 11 that you can't do with Windows 10. Which means if your business computers have three or four more years of life left in them you can leave the upgrade for now.

WHAT'S NEW WITH WINDOWS 11?

Microsoft has integrated its Teams video-conferencing software into Windows 11. Like its rival Zoom, Teams became something of a lifeline during the Covid lockdowns. It is how many businesses stayed in touch with staff and customers.

Teams works on every popular operating system including iOS, Android and MacOS. With Windows 11 you'll have fast access to the app; it now sits front and centre of the Taskbar where you'll find all your important apps.

Meanwhile the Windows 11 app


AutoSave On
Taylor Phillips
File Home Insert Draw Design Layout References Mailings Review View Help
Catch Up
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Leave
Ashley Gonzales
Mario Gonzales
Natasha Jones
New tab
Search or enter web address
Microsoft
Search the web
Xbox
LinkedIn
Woodgrove Bank
OneDrive
My Feed Politics US World Technology
Personalize
Page 1 of 10 2190 words
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VanArsdel VA Shared Design Power & Simplicity

Experiences built for focus

Achieving Focus: When technology communicates and behaves well, it enables you to do what you want to, on your terms. It communicates in ways that are not disruptive allowing you to focus. Focus is achieving the level of concentration you need to accomplish a task.

Design Consideration

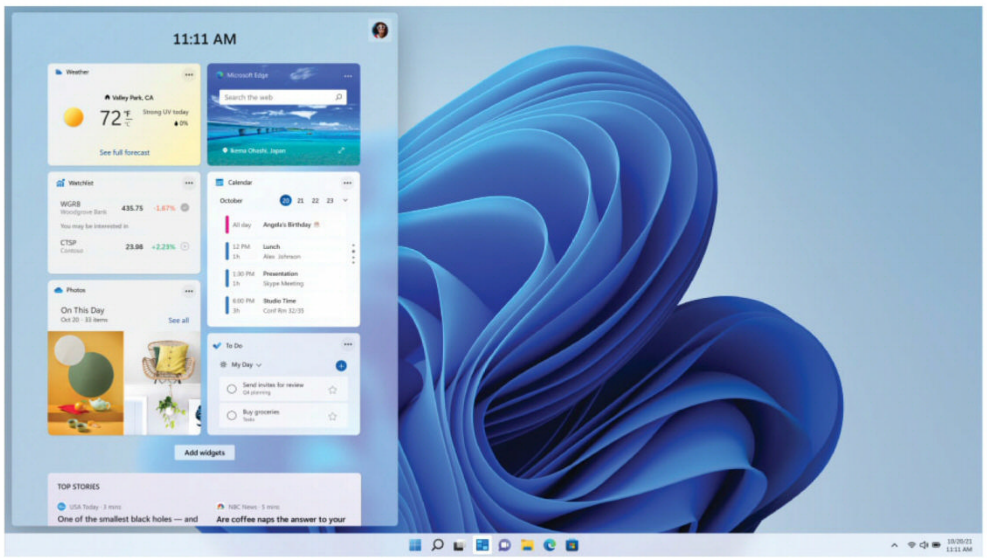
1 / Understand Urgency and Medium

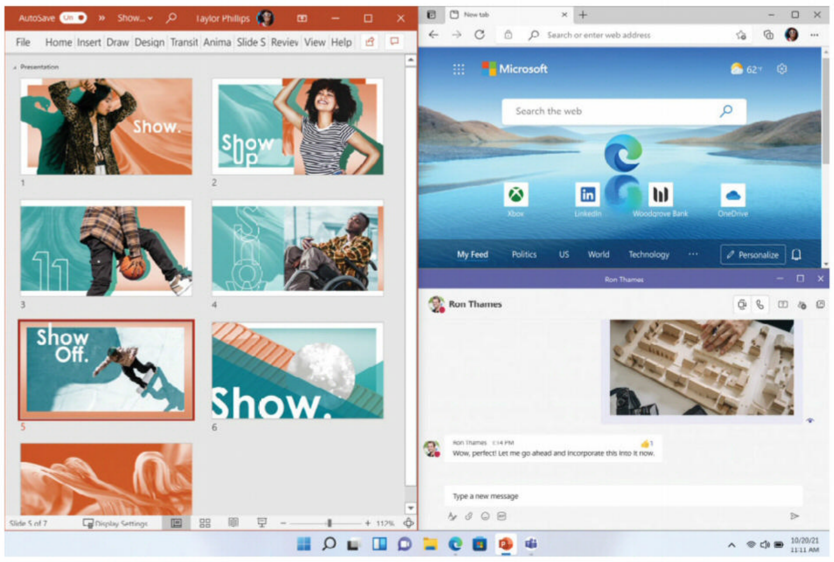
There are many ways ways technology communicates: a visual pop up, orange blinking light, a sound, a vibration. Are all modes needed, capturing full attention for one low urgency communication?

When designing any form of communication, determine, how much attention it needs and when: Full attention, Partial attention, Little attention. Determine ways to align the delivery form with the urgency of the message. As important message may warrant taking full attention from the person. A non-urgent software update may not. Think about how to balance the benefit of the iterruption with the cost of iterrupting the task, to help make better decisions about iming and delivery form of communications.

2 / Adapt to the Customer's Behavior

How a customer interacts with each feature or part of your experience will change over time.


11:11 AM
72°F
Add widgets
TOP STORIES


Show.
Show Up
Show Off.
Microsoft
Ron Thames

allows you to text anyone's phone from your PC at no cost.

Speaking of phones, Windows 11 will soon be able to run Android apps. At the time of writing this feature doesn't work, however Microsoft aims to roll it out over New Zealand's summer. And there's a catch, you can't download Android Apps from the Google Play store, only from the Amazon AppStore, which you can get to from the new Windows app store. Or you can install Android apps from scratch yourself.

There's no sign yet of how well this works in practice – Chromebooks can run Android apps but it's not always a good experience.

BUT WAIT… THERE'S MORE

Windows 11 includes a phone-like Widget panel which has tiles for things like news, weather and stock prices. There was something similar to this in recent versions of Windows 10, but Microsoft has pushed them forward and now allows third parties to develop their widgets.

There's also a new tablet mode, which is useful if you own a Surface device. That said, Microsoft has removed some of the familiar actions for people who run Windows 11 on a tablet. Surface users get new features provided they own the optional Surface Slim Pen 2. Vibration-based 'Haptic Feedback' makes writing on the screen feel more like writing on paper by making the pen vibrate in different ways.

Windows 11 allows users to set up multiple virtual workspaces. This means, for example, you can have a workspace set up for your business applications and another set up for your leisure applications. Snap Layouts is a feature that lets you have pre-set configurations of applications in on-screen windows.

EARLY DAYS

It's still early days for Windows 11. Look at it as a work in progress. Some of the promised features are not ready yet, other updates are expected to turn up over the next year or so.

There are more than 1.3 billion PCs using Windows 10, so it's going to take years for everyone to upgrade. There's clearly no need to hurry. ■

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NAVIGATING THE ROCKY ROAD

JO DOUGLAS ADDRESSES SOME OF THE COMMON QUESTIONS AROUND STARTING A BUSINESS WITH A COLLEAGUE.

I am considering starting a new business and setting up a company with a colleague I know. What are some things I need to think about?

Jo: The most common business vehicle is a limited liability company. The two key roles in a company are shareholder (i.e. owner) and director (i.e. decision-maker).

When you are setting up a new business you may have both roles with each of these 'hats' on. However, at law, each 'hat' must be considered separately.

You will need to consider from the outset how the shareholding will be divided up, and the implications of that on decision-making. The company itself has a 'legal personality' separate from the individual who may own the business through his or her shareholding.

How important is value alignment in your relationship?

Jo: Value alignment is one of the most important things to think about. To establish alignment, put your potential business partner through a type of recruitment process and test out your compatibility on some of the tricky issues. Consider:

- What style of communication do you expect in the workplace and in business?
- What level of competence would you expect around financial matters?
- How would you share duties and responsibilities within the business?

There are a number of facets to running a business which include financial, marketing, people management and so on. While someone may be technically competent in their area of expertise, it may not necessarily translate into the skills required for business success.

We both intend working in the business but bring different strengths.

Jo: It is common for shareholders and directors of a company to also be 'employees' doing work for the business and paid as such. However, where the employee's role and duties have not been clearly defined, problems may crop up.

Consider how you will reward/remunerate each person for the contribution that they are making to the business, particularly if their skills, and what they bring to the business, are different.

Will employment law apply when I am also the 'boss'?

Jo: Employment agreements are required for anyone working for salary or wages. This includes shareholder and/or directors, if the individual is also working as an 'employee' doing work for reward. Employment obligations such as paying the agreed salary each month must be met, along with keeping proper holiday records.

There can be a tendency to blur the lines where a shareholder might support the business by not being paid as an employee, during times of trouble. This is a risky thing to happen from an employment perspective where legal obligations cannot simply be ignored or sidestepped. Any special arrangements must be clearly agreed and properly documented.

What planning should we do for future shocks to the business?

Jo: As recently seen, external factors can significantly impact on business. A common understanding around risk, capital required to withstand possible shocks, and insurance is always a good idea.

If individuals carry different 'hats' in the business, and there is a need to make cutbacks, you will need to consider how you will deal with director/shareholder/employees. For example, if an individual's employment agreement ends is there a mechanism for share transfer? How will the value of the shares be determined?

If the business is struggling, there may be no value. In fact, liabilities may arise. Consider whether expectations are clear around exit arrangements.

I am considering bringing a staff member along as a shareholder as an incentive? What do I need to consider?

Jo: The decision to bring on employees as shareholders may seem like a good option, however it does require careful planning and a carefully drafted agreement. If there is an intention to motivate staff by getting some 'skin in the game' there may be other ways to achieve this without the legal complexity of a shareholder arrangement. This could be through simple bonus arrangements or other non-monetary incentives or rewards.

New Zealand is a nation of small business operators. The level of legal compliance and complexity they face can undermine time and energy that they could be spending on building the business. Therefore it is important they get upfront advice about their legal structure which will set them up for the future and help avoid hurdles turning into major roadblocks. ■

MAT WYLIE** IS CEO OF CUSTOMER RADAR. FOR MORE INFORMATION ABOUT HOW YOU CAN MAKE A DIFFERENCE TO YOUR CUSTOMERS' EXPERIENCE AND BOTTOM LINE GO TO **WWW.CUSTOMERRADAR.COM

TAKING CONTROL OF YOUR DIGITAL GOODWILL

MAT WYLIE SHARES HOW TO MANAGE YOUR BUSINESS'S GOOGLE PRESENCE AND MANAGE THE FEEDBACK – BOTH GOOD AND BAD.

I've had loads of conversations recently with SME business owners about how they're taking learnings from 2021 and applying them to 2022 – especially when it comes to those things we can and can't control. Luckily, great customer experience and the way we're perceived are always things we have a say over!

Ninety-three percent of customers say that online reviews have had an impact on their buying decisions (source: Podium), while local SEO company Bright Local found consumers are willing to spend 31 percent more on a business with excellent reviews. In short, it pays to make the most of your online reviews.

But do you know what your customers are saying about you online? And what does it take to master your online presence so that customers searching and shopping from their phones and computers will choose you over the competition?

GAIN CONTROL OVER YOUR 'GOOGLE MY BUSINESS' PRESENCE

First up, let's start with the basics. You already have a digital presence – it's what people see when they Google your name and start comparing you against other businesses in the area.

If a customer looks up your business on Google Maps, for example, it's your Google My Business that shows up. Businesses can control this: you can edit your hours and location, and respond to reviews. You absolutely should have this set up. According to Google, a strong Google My Business presence (including reviews) makes customers 38 percent more likely to visit a store and 29 percent more likely to make a purchase.

Set-up is easy: Look up your business on Google Maps, then click 'Claim this business.' From there, you'll be taken to a separate page and link it to your email address so you can ensure information is correct, and reply to reviews going ahead.

Perhaps most importantly, how you're perceived on Google affects how likely customers are to engage with you. Eight out of 10 shoppers trust online reviews as much as personal recommendations, and if your star rating is less than 3.4/5, then your customers are going to be turned off (source: Podium). Luckily, mastering your reviews isn't that hard.

TURNING REVIEWS INTO GOLD

You should have someone in your team who is dedicated to responding to your Google reviews. Readers trust businesses that authentically engage with reviews; its proof that ongoing improvement is part of your strategy.

Even bad reviews can be beneficial. It's normal to want to avoid negative feedback, and that might turn you away from asking for reviews at all – but 45 percent of consumers are more likely to support a business that has responded to negative reviews (source: Review Tracker) and shown that they're prepared to recognise an issue.

With the reward of great feedback – that you can leverage in your marketing – the rewards really do outweigh the risks.

Ideally, however, you're actively asking for feedback so that you're always engaged with your customer base and dealing with that negative feedback before it hits Google. A negative review probably contains something you had control of all along, after all.

That's why we always encourage businesses to proactively ask for feedback, deal with any issues that arrive, and then encourage those customers to share their thoughts on Google. That's how you get the best of both worlds – feedback that you can use to turn a customer's experience around and improve your business AND an online presence that shows customers why they should buy from you. ■

> ***"FORTY-FIVE PERCENT OF CONSUMERS ARE MORE LIKELY TO SUPPORT A BUSINESS THAT HAS RESPONDED TO NEGATIVE REVIEWS AND SHOWN THAT THEY'RE PREPARED TO RECOGNISE AN ISSUE."***

LOGAN WEDGWOOD *(MBA, MINSTD.) IS CEO OF STRATEGY EXECUTION ADVISORY FIRM, ADVISORY.WORKS.*
WWW.ADVISORY.WORKS

IS DISCOUNTING THE WRONG MARKETING STRATEGY?

LOGAN WEDGWOOD HIGHLIGHTS WHEN DISCOUNTING CAN BE A USEFUL MARKETING STRATEGY FOR YOUR BUSINESS, AND WHEN IT SHOULD BE AVOIDED AT ALL COSTS.

The temptation in contracting markets is to lower your prices to get more work in or sell more of the products you have on hand. However, I would urge you to robustly question this decision.

Price is a factor in every decision. But it is not THE factor.

Price is only an issue in the absence of value.

The role of the marketing now then, is as a **value creator**.

There are five factors that your marketing can support or communicate that are more important than price:

- Trust.
- Risk.
- Relationships.
- Ease.
- Overall value.

In a challenging time, our drivers are different; people make more decisions out of fear. They fear making the wrong decision, or that their decision will have repercussions down the track.

By minimising the risk in your customers' decisions, building trust and making it easy to do business with you, you have the potential for more frictionless transactions.

By creating the feeling of customer intimacy and demonstrating overall value, you make the decision feel better.

Most purchasing decisions are made on emotion, and later justified. Marketing communications should make the customer feel good about their decision and give them the justification of the decision later. No one likes to feel sold to, and people want to have the information that helps them move any post-purchase regret quickly.

WHEN CAN DISCOUNTING BE A VALID STRATEGY?

Discounting is OK when you have an immediate cashflow issue, or stock sitting in a warehouse and more stock on the way. With supply chain issues in abundance, many product businesses found themselves overstocked and running out of storage space. Orders have cancelled and the cash is sitting in customers' accounts instead of yours. In these cases, discounting works – but in BULK. Moving large volumes at once and bringing in cash is a response worth considering if this is your situation.

If you are a service business, don't discount your prices too readily. Know your value. It is important for our economic recovery that money keeps flowing, that people keep spending and service businesses are a good mechanism for this as the money gets spent twice. That said, make sure you are over-delivering on the value you have communicated.

LOOK AT THE BIG PICTURE

Some might argue that price is more pertinently a decision-making factor in tough times, but this isn't strictly true. It's a factor relative to the other things they need to buy – things that might not be a direct balance between your product and your competitors. They may not even be looking at your competition. They are looking at their entire spend, their whole P&L (profit and loss) and assessing the must-haves and the nice-to-haves, in looking for any spending they can cut.

It's likely your organisation is doing this too.

So, would you commit to spending money – or continuing to spend money – on your product or service right now?

Marketing that communicates value is critically important in challenging market conditions. The knee-jerk reaction is to turn marketing spend off to give the business some breathing room, but you are missing the opportunity to make sales if you do this. Ultimately, it's likely to cost you business.

You should carefully scrutinise all your marketing spend, and make sure that you are going to get back what you put in, but don't drop it entirely. And, unless you are holding excess stock and facing major supply chain issues and cancelled orders, avoid discounting.

Use that marketing instead to communicate your value, prove your worth and make your business the obvious choice. ■

> ***"UNLESS YOU ARE HOLDING EXCESS STOCK AND FACING MAJOR SUPPLY CHAIN ISSUES AND CANCELLED ORDERS, AVOID DISCOUNTING."***

RICHARD CONWAY *IS THE AUTHOR OF 'HOW TO GET TO THE TOP OF GOOGLE' AND FOUNDER AND CEO OF PURE SEO.*
WWW.PURESEO.COM.NZ

THE KEY TACTICS OF LOCAL SEO

RICHARD CONWAY EXPLAINS HOW YOUR SMALL BUSINESS CAN SUCCESSFULLY COMPETE FOR ONLINE ATTENTION, WITHOUT HAVING THAT BIG BRAND MARKETING BUDGET.

Small and medium size businesses often find themselves in an impossible situation competing for online presence against big brands' marketing budgets. However, a Local SEO strategy is where they can turn the tables.

SEO (Search Engine Optimisation) is a strategy that focuses on putting your website in front of potential customers right when they are searching for the type of service or products you provide. It is crucial for SMEs who heavily rely on new acquisitions.

Search is a powerful marketing channel: 68 percent of all online experiences start with a search[1] and leads from organic search traffic have the highest average close rate (14.6 percent) out of Referrals (nine percent), Paid Search (seven percent), Social Media (four percent) and Outbound Marketing (two percent).[2]

The good news for SMEs is that 46 percent of Google searches are for a local business or service[3], so Local SEO is where SMEs have real leverage over big businesses.

It means using your website to build authority in your local area with some custom tailored solutions such as local pick up to avoid shipping costs.

Here are the key tactics of Local SEO:

1. KEYWORDS ARE THE KEY

Google matches the words in a search with those on the websites it indexes, to determine how relevant they are to the search query.

> ***"UNDERSTANDING THE WORDS AND PHRASES POTENTIAL CUSTOMERS USE TO FIND YOUR TYPE OF BUSINESS IS YOUR BIGGEST CLUE FOR HOW TO GET FOUND."***

Understanding the words and phrases potential customers use to find your type of business is your biggest clue for how to get found. You can use free tools such as Google Ads Keyword Planner to get this insight, but it can also be as simple as searching what you think, then looking at the 'Related searches' at the bottom of the search results page.

For SMEs, the real value is in long-tail keywords – as opposed to short-tail. The difference is that short-tail keywords are very broad and effective in delivering large volumes of traffic, but are therefore highly competitive. Long-tail keywords, however, are very specific and can help ensure you're only attracting people directly interested in buying what you are selling. An example of short vs. long tail keywords, respectively is: 'barbers' vs. 'men's barbers Takapuna book now'.

2. CONTENT IS STILL KING

This old cliché is still true. Content is anything that's held in your website pages: words, images, descriptions, videos, page titles and meta descriptions. Put your keyword research into practice by seamlessly including those in your content. 'Seamlessly' being the operative word, as otherwise Google will penalise 'keyword stuffing' or rewrite your page titles and descriptions on the fly on search result pages.

Think about off-site content opportunities as well. A great example includes Google Business Profile (Google My Business). It contains product reviews from your customers, photos, address (if you have one), opening hours and more – and displaying on Google Search & Maps. It is free and will make a big difference when someone searches for your type of business near them.

3. STAY CONNECTED

Link building is one way Google assesses the 'authority' of your website. If a large, reputable site links to yours on relevant topics, Google considers this a 'vote' for your website's credibility, which helps in your organic search results ranking – seeking these opportunities is worthwhile. But be careful, since lots of links from superficial sites made only for the purpose of back-linking will be seen as gaming the system and your site could get penalised.

Finally, remember that while your paid search activity ends the minute you stop paying for ads, your organic ranking tends to fluctuate over time and is determined mostly by how well you target your local audience.

So go on, give it a go! ■

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[1] Source: BrightEdge
[2] Source: HubSpot
[3] Source: Search Engine Roundtable

DAVE ROUSE *IS CEO OF CARBONCLICK, WHICH CONNECTS MILLIONS OF PEOPLE WORLDWIDE TO PROJECTS THAT HELP REDUCE CARBON EMISSIONS AND RESTORE NATURE. WWW.CARBONCLICK.COM*

WAS COP26 A COP-OUT?

DAVE ROUSE ATTENDED COP26 AND CAME AWAY BOTH INSPIRED AND DISAPPOINTED.

The tears of disappointment in the eyes of president Alok Sharma during his final speech, summed up the emotional rollercoaster that has been COP26.

The challenge is upon us to solve climate change – our next generation is counting on us to act, especially now that we know our leaders can't solve this alone.

The reason many now call it "COP-OUT 26" is that the agreement COP is all about (Paris Agreement and now Glasgow Pact) an agreement based on the lowest common denominator. Nobody wants to lose members – so when India says, "We actually don't want to commit to phasing out coal," the rest of the world has to either boot them out, or accept this as a compromise for India agreeing to a few other items.

The same goes for just about every part of this agreement.

As a New Zealand business delegate at COP26, I was confronted with the brutal truth that our Governments aren't able to fix climate change with policy based on a document of lowest common denominators. In fact, since COP first began, emissions have INCREASED by 27.6 percent. Emissions are generated mostly by commercial activity, rather than governments, so it makes sense we as business leaders take on more of the responsibility if we want our kids to live in a reasonable environment.

Behind the scenes it's been truly inspirational to see the efforts that have gone in – both in the business front, as well as the policy negotiations that ran into the early hours of the morning to try and increase the pace of climate action.

THE ROLE OF BUSINESS IN REDUCTIONS, AND THE VOLUNTARY CARBON OFFSETTING MARKET

While it's great to see the various business advocacy groups participating and making ESG commitments on behalf of members, it's very apparent that consumers are the primary drivers of change here. Businesses are chasing the shifting consumer dollar with strong environmental actions to attract and retain this moving market. And the market is moving faster than ever before, which is rewarding these actions.

According to COP26 management, 2021 saw almost double the business presence compared to previous years, with collaborative organisations like WWF and WBCSD helping to bridge cross-sector initiatives globally to help business sectors take meaningful action, and help them to capitalize on this action.

WHAT CAN WE EXPECT NEXT?

Firstly the market will continue on the current rapid trajectory, where consumers are being more picky about where they purchase from and the environmental ethics behind brands.

Consumers are wising up to greenwashing, and this is why we are seeing demand rise for carbon credits from high quality projects (such as regenerating native bush), despite these being much higher in price. Consumers want to know that "Carbon Zero" is not an accounting term or a tick box, its actually making a tangible difference they can see and learn about. When it comes to the demand for these projects, we've seen a 25 percent growth in just one quarter.

Between now and the next COP a lot of work needs to be done, including Saudi coming to the party on oil and gas (conversations diverted craftily to coal this time around), social aspects (indigenous rights, gender equality, loss & damages, finance for developing nations), and lobbying China, the US and India to return to the initial commitments of a "phase out" of coal. We'll see pressure on primary manufacturers and agriculture to cut emissions aggressively and to prove what they are doing as part of tender evaluations and purchasing activity.

Offsetting will play a critical role in helping to quickly resolve climate, social, and biodiversity outcomes that haven't been addressed through reduction measures. We all collectively need to continue to reduce consumption and emissions, and innovate alternatives. We see the biggest success where a business focuses on reductions and offers customers the choice to voluntarily offset the rest.

CarbonClick provides the entire system for carbon offsetting at point of sale, via e-commerce. From the little "offset" tick box option you see when purchasing a flight, to the little green button on many e-commerce stores of sustainable brands, it allows you as a consumer to add a meaningful offset contribution to your purchase.

We carefully audit and select certified carbon offset projects that share social and biodiversity values that align with other charity goals such as WWF and Childfund. We also provide a full "track and trace" audit trail so you can see that your offset contribution has instantly been received by these projects. This provides a sense of relief, empowerment, and 'feel-good' factor for consumers, who have traditionally donated this money into a black hole, hoping it would reach the projects as claimed.

CarbonClick has now helped more than 900 businesses and 105,000 individuals; offsetting 29 million kilograms of CO_2, which equates to about 1.4 million trees. ■

NEW ZEALAND

Management

INSPIRING BUSINESS LEADERS

FEBRUARY 2022

Rallying your team (and yourself) FOR 2022

Sir Jerry Mateparae: World-class leadership mana

Confessions of a change-maker: What you need to know to lead change effectively

Clean, green home-grown sustainability initiatives

Are boards overstepping the governance mark?

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FROM THE EDITOR

Hello, 2022

Writing this at the end of 2021, it's impossible to know how we will be thinking by the time this issue of *Management* lands on your desk towards the end of January 2022.

Will we finally be back to some sort of normality? Or will our lives again be on hold as the country grapples with yet another iteration of Covid?

Either way leaders and managers will have a lot to deal with this year, not the least being the much talked about Great Resignation (see page 8) and the skills shortages that are dogging many industries. Supply chain issues also look set to create more than a few challenges.

It will take a great deal of wisdom, I think, for leaders to navigate their way through whatever 2022 has in store for us both locally and globally and you will need to call on all the leadership experience you can muster.

Sir Jerry Mateparae generously shares his thinking on leadership and what it means for him after his many years in the most senior roles within the NZ Defence Force and as our Governor-General. See page 6.

2022 is also likely to be year of yet more change and in our story on page 12, a highly experienced change-maker shares what she has learnt over the years.

And I am willing to bet that global warming and carbon emissions will be as high on the agenda as it was after COP26 last year. Hopefully our story on three New Zealand home-grown sustainability initiatives (page 10) will offer a dose of sustainability inspiration.

Many thanks for your continued support of our magazine and to the generous leaders who are happy to share their experience and their wisdom with you, our readers.

Best wishes for the year ahead.

Annie Gray

www.management.co.nz

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INSPIRING BUSINESS LEADERS

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TOOLKIT FOR IMPLEMENTING AI FOR HUMAN RESOURCES

The expansion of artificial intelligence in human resources tasks raises data privacy and bias concerns and a new toolkit aims to help organisations navigate the opportunities and perils of using AI for tasks such as hiring and training.

The World Economic Forum has published the *Human-Centred AI for Human Resources: A Toolkit for Human Resources Professionals* to scale the responsible use of artificial intelligence in human resources.

A statement from the forum says the toolkit includes a guide covering key topics and steps in the responsible use of AI-based HR tools, and two checklists – one focused on strategic planning and the other on the adoption of a specific tool.

There are now 250 HR tools that use AI, according to the paper. These tools aim to manage talent in ways that are more effective, fair, and efficient.

However, the forum says, the use of AI in HR raises concerns given AI's potential for problems in areas such as data privacy and bias.

The use of AI in HR also poses operational, reputational, and legal risks to organisations, especially with recent moves in several countries to regulate its use.

"There is therefore high interest in AI in HR but also apprehension, and organisations are looking to navigate this increasingly complex landscape," the forum says.

To help organisations overcome these challenges, the forum brought together more than 50 experts in HR, data science, employment law, and ethics to create a practical toolkit for the responsible use of AI in this field.

Kay Firth-Butterfield, Head of AI and Machine Learning at WEF, says the use of AI in Human Resources is becoming prolific and yet it can be riddled with ethical AI problems such as bias.

"For this and other reasons the EU has named it a high-risk use of AI. This multi-stakeholder work helps all users to take the right decisions when using these tools."

The toolkit contents were reviewed by more than 300 HR professionals in private, public, and civil society organisations through focus groups, workshops, and in-depth pilots.

Ani Huang, of the HR Policy Association, says that as large companies innovate with a growing variety of technological tools related to talent and people strategy, questions abound as to how to ensure that technology is used responsibly and effectively.

"The *Human-Centred AI for HR Toolkit* is a practical guide to the responsible use of AI in HR that we hope will assist HR professionals to properly assess AI tools, improve diversity and inclusion outcomes, and support ethical AI practices for their organisations."

See: https://www.weforum.org/reports/human-centred-ai-for-hr-state-of-play-and-the-path-ahead/toolkit M

CRITICAL INFRASTRUCTURE ORGANISATIONS AT RISK OF A SECURITY BREACH BY 2025

By 2025, 30 percent of critical infrastructure organisations will experience a security breach that will result in the halting of an operation, or mission-critical cyber-physical system, according to Gartner.

The research and advisory company says that critical infrastructure security has become a primary concern for governments around the world, with the US, UK, EU, Canada and Australia each identifying sectors deemed 'critical infrastructure', for example, communications, transport, energy, water, healthcare and public facilities.

It says that in some countries, critical infrastructure is state-owned, while in others, like the US, private industry owns and operates a much larger portion of it.

Ruggero Contu, research director at Gartner, says in a statement that "Governments in many countries are now realising their national critical infrastructure has been an undeclared battlefield for decades. They are now making moves to mandate more security controls for the systems that underpin these assets."

A Gartner survey earlier last year showed that 38 percent of respondents expected to increase spending on operational technology (OT) security by between five percent and 10 percent in 2021, with another eight percent of respondents predicting an increase of above 10 percent.

However, this may not be enough to counter underinvestment in this area over many years, according to Gartner.

"Besides the need to catch up, there is a growing number of increasingly sophisticated threats," Contu said. "Owners and operators of critical infrastructure are also struggling to prepare for the coming increased oversight."

INCREASED RISK NEEDS HOLISTIC SECURITY APPROACH

Gartner says that over time, the technologies that underpin critical infrastructure have become more digitised and connected — either to enterprise IT systems and/or to each other — creating cyber-physical systems security risks. The result has been a substantial increase in the attack surface for hackers and bad actors of all kinds.

In critical infrastructure sectors, organisations need to be more concerned about real world hazards to humans and the environment, rather than information theft. Gartner predicts that by 2025, attackers will have weaponised a critical infrastructure cyber-physical system to successfully harm or kill humans.

The company recommends that security and risk management leaders in critical infrastructure sectors develop a holistic approach to security, so that IT, OT and Internet of Things security are managed in a coordinated effort.

"Security and risk management leaders should accelerate efforts to discover, map and assess the security posture of all cyber-physical systems in their environment," says Contu.

"Invest in threat intelligence and join industry groups to stay apprised of security best practices, upcoming mandates and requests for inputs from government entities."

See www.gartner.com M

RESERVE BANK SEEKING CONSULTATION ON OPTIONS FOR CASH SYSTEM REFORM

The Reserve Bank is wanting input to develop the right set of policies to ensure the cash system is resilient and efficient in the face of changes in use and availability.

The Reserve Bank of New Zealand – Te Pūtea Matua is seeking feedback on issues facing the cash system and options to keep Aotearoa's cash system 'fit for purpose'.

A statement late last year from the bank says options include:

- Consolidating public and private cash sector functions into one or more public utilities.
- Banks paying merchants that provide cash out services on their behalf.
- Requiring some merchants and government agencies to accept cash.
- Requiring banks to provide cash services.

The November 30,2021 issues paper, *Future of Money – Cash System Redesign (Te Moni Anamata – He Whakahou i te Pūnaha Moni)*, reinforces the bank's commitment to keeping cash available for as long as it is needed, says assistant governor Christian Hawkesby.

"We're wanting input to develop the right set of policies to ensure the cash system is resilient and efficient in the face of changes in use and availability."

He says the bank hopes the option set presented prompts discussion and debate, and identifies gaps or refinements.

"Falling cash use for everyday needs and the retreat from cash services by banks and retailers threaten financial and social inclusion for some, and have the potential to undermine the important role cash provides under-pinning confidence in private money in bank accounts.

"We call this acting as a value anchor. In times of uncertainty, people seek the security of cash – knowing money can be withdrawn from bank accounts into cash provides confidence that money in bank accounts is safe too," says Hawkesby.

The Reserve Bank's consultation outlines a range of external drivers facing the cash system that will lead to significant resilience issues for the cash system if left unchecked.

It sets out 16 possible policy responses that could help deliver a fit for purpose cash system and eight policies that could operate as a coherent 'bundle' to appropriately shape incentives and address the Reserve Bank's objectives.

The statement says that the *Future of Money – Cash System Redesign (Te Moni Anamata – He Whakahou i te Pūnaha Moni)* joins issues papers published in September 2021 setting out key concepts feeding into the latest paper, the Reserve Bank's plans to steward money and cash, and discussing the potential for a Central Bank Digital Currency to be issued along with cash. Consultation on the latest issues paper closes on March 7, 2022.

Hawkesby says the Reserve Bank plans to release a summary of submissions received on all three papers and an indication of next steps before the end of April 2022.

It will firm up proposals in 2022 following the feedback it's inviting and then consult further before making final decisions, Hawkesby says. M

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RESERVE BANK OF NEW ZEALAND
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TE PŪTEA MATUA
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NEW PROGRAMME 'REVOLUTIONISES' RECRUITMENT IN THE TOURISM SECTOR

A new recruitment programme for New Zealand and Australia's largest hotel operator has had strong success in its first month.

Novotel Queenstown team – Courtesy of Accor.

With Australia and New Zealand likely to reopen to the world, and in readiness for the tourism rebound, Accor, New Zealand and Australia's largest hotel operator, has launched a new talent attraction programme, Work Your Way, to lure talent to its workforce to take up more than 1,200 jobs available across both countries.

Launched in November, the company says it is forecasting that over the coming months it will need to bolster its current workforce of 18,000 team members across Australia and New Zealand by up to 15 percent, whether that's for a gap year or a career, as lockdowns end and borders reopen.

It says the programme "revolutionises recruitment in the tourism sector" through:

1. Same day hire: It has introduced a new same day hire process for frontline roles, such as food and beverage attendants, receptionists and housekeeping attendants to simplify and fast track the hiring process. Put simply, a candidate can walk or phone in, be hired, and start working all on the same day.
2. Personalised benefits: Accor's "already generous" team member benefits have been bolstered with each hotel now offering a selection of additional perks personalised by their location and team preference, including travel allowances, birthday leave and sabbaticals.
3. Open pathways to travel and work around the Pacific: Future and current team members now have greater opportunity to work and travel their way around Accor properties in the Pacific region.
4. Advanced career development: Accor's training academy supports every team member's career development with easy access to qualifications, practical skills and leadership programmes.
5. Flexible working: The company believes every role, from housekeeping to management, should have flexibility so it has implemented new policy to ensure greater flexibility is available to all employees.

Accor Pacific CEO, Simon McGrath, says the hospitality industry has "an exciting future ahead, and our guests are telling us that they cannot wait to start travelling again. As domestic, and soon international tourists, flock back to hotels and restaurants across Australia and New Zealand, the industry needs talented individuals who wish to build a rewarding career."

Accor Pacific senior vice president talent & culture, Sarah Derry, told *Management* in late December that since launching the programme they have experienced a surge in new talent joining the team.

"Our revolutionary same day hire process for frontline roles has had the largest impact with more than 700 new team members being hired within a 24-hour period in the past month alone. This is an incredibly attractive proposition to both new team members and our business as it hastens the recruitment process, benefitting both parties." Approximately 20 of these roles were in NZ.

Accor brands across the Pacific region include SO/, Sofitel, MGallery, Art Series, Pullman, Swissôtel, Mövenpick, Grand Mercure, Peppers, The Sebel, Mantra, Novotel, Mercure, Tribe, BreakFree, ibis, ibis Styles and ibis budget. M

Sir Jerry Mateparae: WORLD-CLASS LEADERSHIP MANA

If leadership were a contest, Sir Jerry Mateparae must surely qualify as one of New Zealand's pre-eminent leaders. The former Chief of the Army, Chief of the Defence Force, Governor-General and High Commissioner has enjoyed a stellar career, which he tells *Management* is probably a result of never wanting to have to look back with regret at a missed opportunity. And of being happy to come second.

Wikipedia lays out Sir Jerry Mateparae's track record of leadership very succinctly: "Lieutenant General The Right Honourable Sir Jeremiah Mateparae, GNZM, QSO, KStJ was the 20th Governor-General of New Zealand between 2011 and 2016; Chief of the New Zealand Defence Force from 2006 to 2011; served as the director of the New Zealand Government Communications Security Bureau for five months in 2011; following his term as Governor-General, Sir Jerry was the High Commissioner of New Zealand to the United Kingdom between 2017 and 2020."

But, according to Sir Jerry, being second is not a bad place to be.

He notes he was the second Māori officer to be the Army Chief after Major General Brian Poananga (Ngāti Porou and Rangitāne iwi). New Zealand's second Māori Governor-General after Sir Paul Reeves, and the second Governor-General who also had the High Commissioner role in London after Sir Denis Blundell. He is also the second Governor-General to hail from Whanganui after Sir Arthur Porritt.

He was, however, New Zealand's first Māori Chief of Defence. So with an already demanding army defence role behind him why did he continued to take on yet more challenges?

Sir Jerry says leadership is a people-to-people thing, and one of his motivating factors has been that he never wanted to look back and wonder what might have been.

"Like a lot of people as you grow and move through the world, opportunities come up," he says.

Sir Jerry says each of the roles had its own specific challenges but Chief of the Army was significant because that organisation was "hurting at the heart of the culture".

So he embarked on defining the mission, vision and values of the Army. He wanted something every soldier could articulate and relate to and he seems quietly proud that the mission, vision, and values his team collectively came up with in 2002 and 2003 are still, in essence, being used by the Army 20 years later.

The vision: "A World Class Army that has Mana." While one objection had been that when deployed overseas no one would know what 'mana' meant, the team had concluded that every New Zealander would know the meaning and the vision statement needed to succinct, that if a vision was too complicated it wouldn't be put into action.

He wanted the mission and values to be about "what we do and why we do it."

The Army ethos and values: Serving

New Zealand honourably and loyally with courage, commitment, comradeship and integrity.

He says this too has still held and although the Army has been through its trials over the years, that is what all New Zealanders want – the right sort of thing at the right time.

The values also alluded to the heritage of the Army. He says it meant looking back to WW1, where soldiers fought for their mates while enduring awful conditions. It was the person beside them they were fighting for.

This he says, gives currency for all sorts of challenges.

He says the values speak to soldiers, sailors, airmen and airwomen asking if something is the right thing to do?

Asked about his leadership style, he says he does not do brutal, "but if I need to I can".

He agrees that leaders lead, but says that equally giving your people the opportunity to lead is important, so he supposes he has a participative leadership style.

If you analyse leaders on the Marae: "They encourage you to air your views, people should be able to challenge them, people should be comfortable they can do that. If challenged, and there's a better way of doing something, then learn from it.

"With mistakes, don't make them twice. Own it, fix it, learn from it and then move on."

While participative, he likes people to do their job. "If I give them a task, I expect them to get it done, but I will not tell them how to do it. I let them get on and do it."

As to what would he say to his young self: It would be that opportunities will come along. "Do things you want to do and don't have a circumstance where you look back and think – I wish I had done that."

Initially he says he chose to stay in the military as he enjoyed the environment and enjoyed the things that could only be done through the military.

It's well documented that in the early 2000s there was some tension and friction at senior levels of the Defence Force and Sir Jerry says that he had started to migrate into that arena, but didn't particularly like what was happening. He says in some ways the reputation of the force was perceived to be besmirched by in-fighting.

Around this time the Head of the Defence Force Personnel, later Chief of Defence Air Marshal Sir Bruce Ferguson, suggested he undertake a leadership course at the Institute for Strategic Leadership, where he is now a newly named patron.

He says at that time he wasn't keen to undertake the course, because at that stage with what was going on he was thinking he no longer wanted to be in the Defence Force.

But, in undertaking the course, he was amazed what he learnt about himself and he found he wanted to stay "and to make a difference."

Asked about mentors he says the example Sir Edmund Hillary set, for example the way he shared the limelight with Tenzing Norgay, his humility and humbleness had a big effect.

While Sir Jerry had no desire to climb mountains, he did want to do the things you can only do in an environment like the Army. It was a life of adventure, which he enjoyed.

Sir Jerry Mateparae

He also had a couple of more senior officers who "sort of indirectly" kept an eye on him. One was A.L. Birks (Tony) who later became Chief of Defence. Sir Jerry says chances this senior officer gave him meant he was being given the right experiences at the right time.

Another mentor was David Moloney, a former senior officer who had left the army and gone into business.

When Sir Jerry became Chief of the Army Moloney took it on himself to catch up with his former subordinate and act as something of a sounding board.

This led Sir Jerry to think he should be helping some of his senior officers to have someone who understood their situation. So he set up an informal mentoring arrangement with retired officers for the still serving officers. For some it didn't work, but for most it did.

As to whether Te Ao Maori plays a big role in his life he says this "is one thing I could, and should, do better at."

While involved in iwi and land meetings "I have not kept that part of my life well programmed."

He is "comfortable to engage" and he knows his iwi and knows his whakapapa, "but I have had such a busy life I feel it would be disingenuous of me to go back and step into those roles."

When he was made Governor-General his appointment was warmly welcomed by then Māori Party co-leader Tariana Turia who (in a news story at the time) said she had known both his dad and his biological father, both of whom were ministers in the Ratana Church.

And Sir Jerry continues to give back to his local community with a wide range of patronages.

As well as recently taking on the role at the Strategic Leadership Institute he is also patron of Christchurch based One Mother to Another, a community housing trust in Christchurch and the National Trout Trust near Turangi. His tribal affiliations include Tūwharetoa in the Central North Island.

He is also co-patron of the Sarjeant Gallery, with his wife Lady Janine in his home town Whanganui and of the Canterbury Charitable Hospital; the Army Museum in Waiouru, the Fallen Soldiers Trust and a trust for the New Zealand Special Air Service and Association.

He is also on the external steering committee for the Defence Force's Operation Respect, the programme to eliminate inappropriate and harmful sexual behaviours, discrimination, and harassment.

He sees it as important to give back in his local community and at his home on the Kapiti Coast is involved with the local Rotary and a Coastal Adaptation Advisory Panel.

Asked for some final words Sir Jerry suggests: "Know your business, know your people and know yourself; you have to be good at what you do, but you can't be the best at everything you do.

"If you are going for a team run, someone else is probably going to win, just don't give up and don't come last." M

CLEAN, GREEN HOME-GROWN SUSTAINABILITY INITIATIVES

In the wake of November 2021's COP26 conference when carbon emissions and climate change issues dominated the global media, *Management* set out to see what initiatives New Zealand-based companies were undertaking. Here are three that caught our attention.

NZ'S LARGEST-EVER SUSTAINABLE REFINANCING

Metlifecare announced late in 2021 that it had completed a refinancing of the company's bank loan facilities into Sustainability-Linked Loan facilities tied to "ambitious social and environmental goals."

A statement from the retirement village owner says the $1.25 billion Sustainability-Linked Loan comprises $600m of existing debt and $650m new debt, and "makes Metlifecare the first operator in the New Zealand and Australian retirement village and aged care sector to be fully debt funded by sustainable financing."

It says the announcement follows Metlifecare's earlier designation of its existing listed bond into a Sustainability Bond in October, and marks New Zealand's largest-ever sustainable refinancing.

The company says the material increase in funding capacity will support key elements of Metlifecare's Full Potential Plan: a five-year growth strategy to increase the company's landbank and development pipeline, provide geographic diversification and expand its aged care offering, all underpinned by ambitious ESG (Environment, Social, Governance) targets.

Metlifecare's Sustainability-Linked Loan sets annual performance targets for three material sustainability KPIs, which will be independently verified each year. The KPIs are:

- Joining the Science Based Targets Initiative (SBTi) to establish a decarbonisation target in line with the goal of limiting global warming to 1.5 degrees Celsius, and annual reductions in greenhouse gas emissions to achieve that target. This will be a first for a New Zealand-based retirement village and aged care operator.
- Building six new aged care facilities which achieve a 6 Green Star rating from the New Zealand Green Building Council (which is the highest level of green building rating achievable in New Zealand) within five years. There are currently only 10 buildings in New Zealand that are 6 Green Star rated and none are within the retirement village and aged care industry.
- Increasing the number of dementia care beds in Metlifecare's portfolio six-fold within five years, and making all of Metlifecare's portfolio dementia friendly as accredited by Alzheimers New Zealand.

Metlifecare will pay a lower interest rate on the loan for achieving its targets, but will have to pay higher interest if it falls short of satisfying the KPIs.

Earl Gasparich, CEO of Metlifecare, said that the Sustainability-Linked Loan demonstrates that Metlifecare "is a purpose-driven business fully committed to being a transformative industry leader." He said Metlifecare's sustainability objectives are meaningful to both the company and New Zealand.

The statement says that ANZ New Zealand and Westpac NZ were Joint Mandated Lead Arrangers and Bookrunners, and Joint Sustainability Coordinators for Metlifecare in preparing the Sustainability-Linked Loan, with significant support from both existing and new lenders.

Westpac NZ head of sustainable finance Joanna Silver applauded Metlifecare for its commitment to aligning future growth plans to emissions reductions and meaningful sustainability outcomes.

"This is an important milestone for the retirement village sector and the largest commitment we've seen to date by a New Zealand corporate linking its cost of borrowing to ambitious sustainability targets."

SERVERS FOR THE PLANET

Kauricone, an Auckland-based technology company, has announced a breakthrough in energy efficient computer servers.

Addressing the problem of excess energy consumption by servers used in business for applications and Internet of Things, and especially data centres, a statement from Kauricone says it has curated a range of servers that use significantly less energy.

The company says the compact servers have a smaller physical footprint and emit less heat, leading to reduced space, power, and cooling costs.

As well as reducing energy demand, the new servers use less rare earth elements in the manufacturing process and have a longer life span, allowing the company to offer a longer warranty and a cradle-to-cradle take-back scheme at end of life.

It says the servers are fast, reliable, easy to run, and easy to program using Kauricone's new high level programming language.

One feature of Kauricone's servers is the absence of a fancy case and Kauricone's founder Mike Milne says the business is striving to do more with less.

"Building efficient technology, while reducing our impact on the planet has never been more important, and this requires us to challenge convention. Kauricone will continue to drive new technology, and strive for a 100 percent circular business model. Servers returned at end of life will be redeployed rather than sent to landfill."

Focusing on data centres, Milne notes that they contribute to three percent of global carbon emissions. This is contributed to by social media, where posts, pictures and videos are stored somewhere in a data centre. The servers that make the whole system work require large amounts of power to run and keep cool, all of which is contributing to a rapid increase in electricity consumption.

With regard to the manufacturing process, Milne says that the manufacture of tech hardware is diminishing global reserves of rare earth elements at an alarming rate. To add to this problem, only 38 percent of tech hardware is recycled, and the rest goes back to landfill.

He says the servers have a physical footprint "a fraction the size of a traditional server, yet powerful enough to run any business." He adds: "Unconventional – yes, but better for people, the planet, and business."

WORKING TO REDUCE FOOD WASTE IN NEW ZEALAND

Waste Management Institute New Zealand has partnered with NZ Food Waste Champions 12.3 to reduce food waste in Aotearoa, New Zealand.

NZ Food Waste Champions 12.3 co-chair Deborah Manning and Founder of NZ Food Network and KiwiHarvest says that addressing food waste has environmental, social and economic benefits.

"Food waste contributes to 10 percent of global greenhouse gas emissions and for the average New Zealand family, over $640 is spent on food that goes in the bin.

"This makes no sense when one in five children in New Zealand are hungry. NZ Food Waste Champions 12.3 harnesses the collective efforts of people to tackle food waste across the country," she says in a statement.

NZ Food Waste Champions 12.3 was launched in March 2020 with a vision of 'He Taonga Te Kai, An Aotearoa where food is valued, not wasted'. Its mission is to accelerate progress towards reducing food waste by 2030, in line with the global Sustainable Development Goal (SDG) Target 12.3. The organisation has representatives from farm to fork who are their 'champions' and 'citizens', turning the dial on food waste reduction.

"This partnership shows that reducing food waste is a priority for WasteMINZ," says chief executive Janine Brinsdon. "We know it has major climate impacts and we are already doing work to tackle this problematic waste stream. For example, we have raised consumer awareness through our Love Food Hate Waste campaign, which has carried out food waste audits, conducted surveys into household behaviour around food waste and developed tips, tools and recipes to help reduce food waste. It makes sense for us to widen our ambit by partnering with NZ Food Waste Champions 12.3."

WasteMINZ is a representative body of the waste, resource recovery and contaminated land management sectors in New Zealand. Formed in 1989 it is a membership-based organisation with more than 1,500 members – from small operators through to councils and large waste and recovery operators. Its members are actively reviewing the government's proposed Emissions Reduction Plan and the New Zealand Waste Strategy.

"Food waste is a major waste stream we need to reduce and manage better and this partnership will help inform new initiatives," the statement says.

Miranda Mirosa, NZ Food Waste Champions 12.3 Co-Chair and Associate Professor at the University of Otago, says this partnership indicates a new phase for the organisation, to raise the profile of the food waste issue.

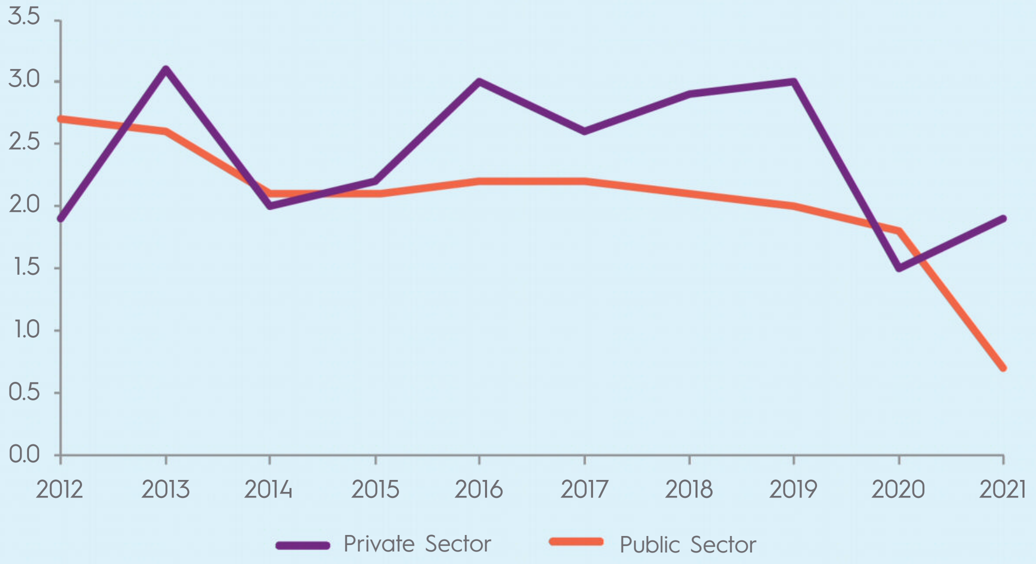
"We have three strategic priorities: Showcasing successful business initiatives to reduce food waste, advocacy to government to reduce food waste and action to aggregate and accelerate a reduction of food waste." M

The Great Resignation

Don Young explores the paradox of recent low market movements against the response to the Great Resignation and other attraction/retention issues that many organisations are facing in New Zealand.

It's the end of the world as we know it

Fixed Remuneration Movement Percentage for Technical Specialists to Executive level positions

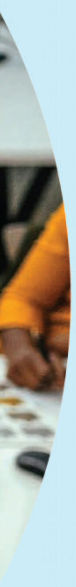


The song was not referencing 2020/2021 or what work, medical science, social interaction and life generally would look like after the pandemic. But it has a certain ring to it in the REM space at the moment (pun intended). There are no prizes for guessing that the market has slowed when the old 'normal' ended dramatically. The pandemic hit remuneration levels hard as the market data clearly shows.

Data from New Zealand Remuneration Report September 2012-2021 (400-1200 SP10 Points)

We have seen this pattern previously during the Global Financial Crisis. But when the market slowed employees battened down the hatches and rode out the storm. However it is very different this time because the 'Great Resignation' is gathering traction in New Zealand. Growing attraction and retention issues for technical specialists and executives abound and reactions to this shortfall will have an impact on the market.

A survey of listed companies in New Zealand showed that **22%** have changed their CEO/ MDs this year and Strategic Pay's Pulse Survey suggests that **52%** of companies are struggling to recruit and retain talent across more than one job function. In the past we've seen spot-market issues where certain roles or functions sit above typical market movements because of unique (usually short-term) influences e.g. in engineering, construction and IT.



But clients are reporting to us that the issue is not limited to a select few roles or functions as might have been the case in the past. Different sectors are struggling to attract and retain totally different types of jobs, also at differing levels (all sectors struggle to acquire IT staff).

As organisations react to the market issues (and potential loss of key staff) they continue to explore total rewards options (including non-monetary benefits) to attract and retain employees. Despite this, most still have to show the money to attract and keep good people. 70 percent of our clients surveyed report they paid a premium to attract staff this year.

Organisations view this recruitment process as something that just has to be done to attract and retain candidates with the right skills. Managing this from a remuneration perspective we discovered that 72 percent of surveyed organisations have applied premiums to the base pay. The majority of these said they had to pay 15-20 percent more for the roles. 10 percent of respondents from the not-for-profit sector reported needing to pay an additional 25 percent as a premium. Here is the concern - increasing base pay by these significant amounts is unlikely to be sustainable long term.

Strategic Pay knows that most clients have predicted higher wage increases next year than recent years (not just in the past two years). This is especially true when one drills down to function and job level where client predictions for some roles are two/three times higher than we have seen in recent years. Even if companies increase their wage budget by percentages not seen since pre-GFC days they are still going to have issues with internal relativities from what they paid certain individuals/roles during this talent melee. Because obviously bringing people in on higher rates is going to cause general internal relativity issues. So does the answer lie in increasing base or fixed remuneration? What happens at annual salary review time? Simply applying increases across the board will spread the jam too thin. It's also unlikely that salary budgets are going to grow enough to keep pace with the levels of increase that this might dictate.

What options do you have? Sign-on bonuses or equivalent used to be a characteristic of executive pay (mostly in Australia) but is being reconsidered again in this changed environment. Could variable pay be an answer? Possibly, but would the delayed gratification be enough of an incentive for those in technical roles that are so hard to recruit? For executives it may be increasing the quantum of variable pay (mostly short-term incentives). We have uptakes in requests for Strategic Pay to review and/or design incentive schemes around Executive and CEO roles.

Looking ahead to next year ensure you have the basics right to manage any anomalies. Traditionally our clients have created good, solid remuneration structures that have enabled them to manage the ups and downs of remuneration in a way that is fair, equitable and financially sound. These structures will help to provide a clear picture of where they need to focus their efforts and provide a justifiable rationale for remuneration decisions in a challenging time for key decision makers.

One thing for sure, we will see some interesting developments in the remuneration space in the next few years as organisations grapple with certain decisions they were forced to make at short notice. Do you feel fine? Credit REM.

BY DON YOUNG,
MANAGER NORTHERN
CONSULTING,
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CONFESSIONS OF A CHANGE-MAKER

What you need to know to lead change effectively.

By Liesa Hurn.

If businesses don't change, they will be left behind. It's a phrase thrown around a lot. And while I'm not a fan of a cliché, it's true.

There's no denying that change can be frightening. Leaping into the unknown is an uneasy feeling.

When people are afraid of change, they aren't necessarily afraid of the change itself – but that it will go wrong.

But change doesn't have to be that way. It isn't leaping entirely into the unknown if it's led according to a planned process, inclusive of the people that will be affected, and approached with minimal disruption.

I've been a change management professional in some of New Zealand's biggest companies – so you can imagine that change is something I thrive off.

From sales transformations to the emergency changes after the Christchurch earthquakes, I've learnt from my successes and mistakes how you can successfully lead the change process.

FOLLOWING THE PROCESS

For people to work with you to implement change in your organisation, they must understand it and how it's beneficial for them. If employees don't understand and believe in the change wholeheartedly, they'll fight against it.

Several years ago, I was a marketing lead at one of New Zealand's biggest insurance companies. In one campaign, I needed to market a new insurance scheme for tradespeople that involved a completely new sales technique.

How did we manage to persuade brokers across the country to work with us in cold calling and organising sales events when many of them didn't receive any sales commission or other incentives?

It's moments like these where the Prosci ADKAR change methodology is invaluable. It's a fundamental model in change management, and for good reason – if you don't take the steps to engage with change in individuals, you can never expect the change to go well organisation-wide.

To lead people through to change, you need to hit each goal:

1. **Awareness:** Get people to understand the need for change – two-way communication is essential here.
2. **Desire:** Beyond helping them understand the change, instil how exactly it will benefit them. Do they care profits are low, or do they care about their wages?
3. **Knowledge:** Show people exactly what the change is and how they need to work from now on.
4. **Ability:** Equip people with the skills and competencies to implement and own the change themselves.
5. **Reinforcement:** Make the change a habit by providing ongoing support and feedback for employees.

In leading the insurance salespeople through change, I progressed through each of these steps with care and consideration for those going through it.

I helped them understand the new sales method completely, before explaining how exactly it would help them make more sales and provide great experience to add to their skillset.

We did training sessions to equip everyone with the knowledge and the abilities to own the change, before following up consistently months later to ensure that the change was still working for them.

It's a long-term commitment to follow the ADKAR model completely – but you can't underestimate the impact of change on people or short circuit it. It's the most efficient and successful way I know to completely implement a transformation and make it stick.

LEAD FROM THE TOP AND THE BOTTOM

When we think about leading people through change, you often hear the word vision. And while a strong and clear vision for change is important, leaders can't expect all employees to be on board if they're only following from the top.

To gain support across the entire organisation, the best change-makers follow what I call the sandwich approach.

Like a sandwich, this approach means having the supportive bread at the top and the bottom.

Lead by example as to how you'd like to move forward with the transformation but have your change cheerleaders throughout the organisation to develop the comradery you need – and provide regular feedback on how people are feeling through the change process.

Before you begin your transformation, assess teams that will be impacted by it. Understand the sentiment throughout the team and identify where people sit on a spectrum of willingness to change.

I've seen organisations use employee focus groups to understand feelings about the transformation. Not only are focus sessions a great way to get an idea of people's emotions, but they provide valuable insights into how the process will be made easier for employees and lead to long term benefits.

There is nothing more disenfranchising for an employee than making them feel unheard or worried. I've heard of leaders implementing change in a way that makes employee's jobs harder as opposed to easier – do not be that leader.

LEAD WITH EMOTIONS, NOT JUST INTELLECT

People often think that change-makers are busy-bodies. But if you want to be a change-maker that brings people along and has the support of the organisation behind you, you need to have just as much emotional intelligence as intellectual – that's something I've learned along my change journey.

For many people, the word change is synonymous with job losses and restructuring as processes become increasingly automated.

For others, it brings back memories of ideas being ignored. Employees are people who bring their whole selves to situations, so there will always be a variety of emotions during a transformation. A leader's job is to acknowledge those feelings and fears.

"It's quite a juggle managing everyone's expectations and attitudes during a significant change. When you are working with senior leaders, people from partnering organisations, and other employees who might be wary, it pays to be very careful and considered in how you communicate with people," says Melissa, my partner in many transformations during the period we worked together.

When I came on board as a senior marketing leader at a large organisation several years ago, I met an employee who had some great ideas for thought leadership on a very relevant topic that could help organisations across New Zealand.

The only problem was that when she'd attempted to bring it up previously, she'd been rebuffed and left feeling hesitant towards approaching the idea again.

In this moment, all I had to do as a change-maker was listen. We had some meetings where I simply listened to the problems she'd faced in the past and her concerns, until I could get an idea of how to move forward. We worked side-by-side throughout the process, where I acknowledged her concerns as they arose and put plans in action to mitigate them.

Change management is a tough gig and you need to be resilient, persistent and show empathy for those going through it.

Acknowledging people's emotions towards change means having meaningful conversations, listening to learn and not just for the sake of it, and approaching situations with sensitivity.

SEE THE OPPORTUNITIES IN CHANGE

I've dedicated my career to change and transformation projects because nothing makes me excited like change. Change means innovation, it means new ideas and it means better ways of doing things. I love change because I love seeing the positive impact it has on people's work and lives when it's executed well.

You've got to ask yourself "why not?". What's worse, staying the same and failing, or taking the plunge to change and elevate your impact?

Get your plan in place, have your team alongside you and all the tools in your toolbelt, and step out. You've got this. M

Liesa Hurn is a change management specialist and executive director at Anthem.

ARE BOARDS OVERSTEPPING THE GOVERNANCE MARK?

If boards are liable for the organisation’s culture, then anything that impinges on that culture is logically of interest. But, asks Shaun McCarthy, are boards seeking information on topics of genuine relevance to them or are they overstepping the mark?

Board Directors are responsible for governance, the CEO and management are responsible for operations. Sounds straightforward, right?

But hang on – individual directors can be held legally and financially liable for occupational health and safety at work; the impact of the organisations culture; harassment; discrimination; environmental sustainability and corporate ethics, to name a few, not to mention the usual fiduciary requirements around solvent trading and responsible behaviour.

It’s no wonder boards are seemingly becoming more involved in what some would see as operational issues.

It’s been our observation that more and more, our clients are telling us, “We can’t commit until the board’s had a look at it.”

Time and time again, proposals are being rewritten as board papers.

Given that we operate in the leadership and culture space, it’s not surprising. If boards are liable for the organisation’s culture, then anything that impinges on that culture is logically of interest.

That’s actually a good thing. The question is: are boards seeking information on topics of genuine relevance to them or are they overstepping the mark?

The answer lies in the kind of relationship that exists between board and management.

If the relationship is low in trust and can even border on adversarial, then the typical loop is for management to bury the board in voluminous board papers that are designed to swamp the board, whilst the board looks for what management may have left out, or ‘buried in the back of the file’.

This becomes the typical vicious cycle with neither achieving a sense of satisfaction from what they are doing.

It’s a dysfunctional form of delegating upwards. As boards sort through the heavy detail of what management provides, they inevitably get drawn into conversations that are very tactical and no longer strategic (the realm of the board).

On the other hand, if the relationship is high in trust and mutual respect, then such games are seen as the waste of time they are. It is no longer a competition, but rather two teams working as one. Everyone saves time. Shorter board papers with clearer conclusions and recommendations save time for both teams and the discussions tend to be more about strategy than tactics.

We’ve always had to live in a world of change, but current circumstances mean

that we also live in a world of constant uncertainty.

We simply don't know what we don't know, so the more boards and managers can collaborate and work in a framework of trust, the better it's got to be.

Trust is not some vague concept. It is based on one-to-one respect.

The relationship between the chair and the CEO is of course at the core of this.

Trust is at a professional level (sometimes referred to as a 'critical friend'). There are oversight issues if the CEO and chair are best buddies.

The board must be able to hold the CEO accountable and the chair is the key conduit between the board and the CEO, so the board must be able to trust the chair.

Trust must be constantly earned and displayed through truthfulness, being 'up front', frequent communication, respect and responsiveness.

It also requires clarity and shared understanding of everyone's role. A clear board charter should illustrate the governance roles and responsibilities and how the connection between board and management should work.

The rest is all about culture and how it drives thinking and behaviours at the management and board levels.

Many boards do not realise the impact they have on their organisations' cultures. Boards have both a direct and indirect impact on culture. Direct impact is through:

- Appointing the CEO (in our own likeness).
- How they behave as a team during board and subcommittee meetings (in the room).
- How they behave with senior executives when they join board meetings for reports and presentations (board – management interplay).
- Board members own values and beliefs (the board as role models).

Beyond this, boards also have an indirect impact on the organisational culture through:

- How they manage the interplay between strategy and culture (shaping the values).
- How they manage performance monitoring (shaping the priorities).
- How they manage remuneration polices (shaping the behavioural norms).
- How they manage risk (shaping the agenda for innovation).

Accepting the reality that their own behaviour contributes to the culture, more progressive boards look to avail themselves of behavioural feedback tools.

Individually they can get feedback from each other and the executive team, and collectively they can get feedback on how they function as a group. Coaching around the feedback then identifies areas for improvement and strategies/actions for improvement are implemented.

Gone are the days when board members saw themselves as being beyond the need for development.

The keys of clarity, communication, respect and culture hold true for boards in all spheres – public, private, Governmental, Not for Profits and sports organisations.

Added layers of complexity exist in family businesses where family members may be on the board or in executive positions, potentially leading to issues associated with family versus professional interests.

It is also important to recognise that relationships are never static. Trust can be lost. It can be gained. It can be recovered.

If lost, it might need some external help such as a coach at the individual level or a facilitator at the group or inter-group level.

It can be restored by focusing on key principles – clarity of the common purpose, honest, upfront communication, respect for each other and understanding that often people behave the way they do because of the way we behave to them. M

Shaun McCarthy is the chair of Human Synergistics Australia & New Zealand which provides behavioural feedback tools such as the Human Synergistics Life Styles Inventory.

ABOUT SPEAKING UP – AND CREATING A LISTEN UP CULTURE

WHEN A WORKPLACE CULTURE SUPPORTS AND CELEBRATES SPEAKING UP, LISTENING UP AND FEEDING BACK, CHANCES ARE HIGH ITS PEOPLE ARE MORE KEENLY CONTRIBUTING TO THE ORGANISATION'S MISSION. BY **KATE KEARINS.**

KATE KEARINS

is Professor of Management and Pro Vice Chancellor and Dean of the Faculty of Business, Economics and Law at Auckland University of Technology.

Recently I received some feedback that suggested I had pounced on a couple of people in an online meeting. Fortunately, I work with people who know (and know that I know) the value of constructive feedback.

I'll admit I was, at first, defensive. Once that feeling settled and I took the time to reflect, however, I was embarrassed – and I silently committed to be a little less quick off the mark.

More than that – I was grateful to have been given the feedback and even more grateful that I have been given the opportunity to do better in the future.

It has also got me thinking about the value of constructive feedback as part of a healthy workplace culture and what we, as managers, can do to encourage it.

Advice from management experts appears to coalesce around several shared themes.

Encourage speaking up: When someone steps forward to tell us about a problem, rather than groan inwardly, we should instead count ourselves lucky. Such an approach from a colleague, even (especially) when framed as a conflict or concern, reflects a safe and supportive culture.

Commit to listening up: When a colleague speaks up, we must listen up. That two-way interplay reinforces an open and constructive culture. Like the proverbial tree falling in the forest, sharing concerns or feedback might be meaningless if there's no one there to listen.

Take action: If we respond to, and investigate, complaints when they are low level and report back (even at a high level), we build a degree of trust. That doesn't necessarily mean everyone will agree with the outcome, but transparency and responsiveness go a long way to engendering a sense of faith in, and goodwill towards, an organisation and its culture.

NOT ALL SILENCE IS GOLDEN

Experts agree there are several ways to interpret a dearth of complaints or health, safety and wellbeing flags. It could mean that all is well in your organisation. Or it could mean no one is speaking up. Or it could suggest that people are speaking up, but no one is listening up.

> **"When someone steps forward to tell us about a problem, rather than groan inwardly, we should instead count ourselves lucky."**

Why is it hard to speak up? We are familiar with the reasons – but they are worth revisiting.

- The culture may not encourage it – there may be a lack of safe spaces or places or an absence of clear policies, people or processes to support disclosures.
- Intentionally or not, managers may sometimes give the impression of being too busy, too burdened, or only interested in hearing about the 'big' stuff.
- Some colleagues believe nothing will happen if they speak up – so what's the point of trying?
- Most disturbingly, some employees fear speaking up will bring repercussions. Most commonly, they worry that retaliation from the subject of the complaint will make their working lives even more difficult.

I have also found that those who speak up may also hold concerns about the consequences of coming forward.

Their decision to share often comes with a rider: managers may be told about a concern, but the person speaking up doesn't want us to act on the information.

That poses a challenge – because once we know something, we can't un-know it.

We generally have a responsibility to dig a little deeper to better understand the situation, including from the perspective of the person possibly being complained about, especially if the subject is a serious one, or the problems alluded to are part of an ongoing or repeated situation.

Beyond our trying to do the 'right thing', it's also vital that organisations are backed by robust policies, practices and processes

to support our colleagues when they need it.

As we embark on 2022, it's worth reflecting on and checking whether we have the right intentions and the right ingredients around workplace culture in our organisations. Do we ourselves invite and welcome feedback?

- Do we encourage colleagues to speak up constructively?
- And do we listen up? And take action as required?
- Do we report back – even at a high level – on outcomes? And record specific advice?
- Do we have the right policies, practices and processes in place?
- Do we and our colleagues feel supported?

Within such a culture, employees across all levels of an organisation may be more inclined (and better equipped) to try to resolve workplace conflicts or concerns with constructive dialogue, clear communication and more open minds.

When a workplace culture supports and celebrates speaking up, listening up and feeding back, chances are high its people are more keenly contributing to the organisation's mission. M

GUEST COLUMN

COVID HIGHLIGHTS THE NEED FOR MEDIA INTERVIEW SKILLS

IN OUR COVID-DRIVEN WORLD LEADERS NEED TO BE PREPARED TO FRONT UP TO THE MEDIA MORE THAN EVER. BY **PETE BURDON.**

PETE BURDON is founder and head trainer at Media Training NZ and author of *Media Training for Modern Leaders*. See his free online masterclass, "How to master media interviews in any situation," at PeteBurdon.com.

Covid-19 has shown how quickly leaders from business and other organisations can be thrust into the media spotlight without warning. While this has always been the case, Covid has become the latest example.

Some leaders have had to front media because of confirmed Covid cases among staff, others when their premises became a location of interest, while another group attracted attention because of safety concerns such as inadequate social distancing policies.

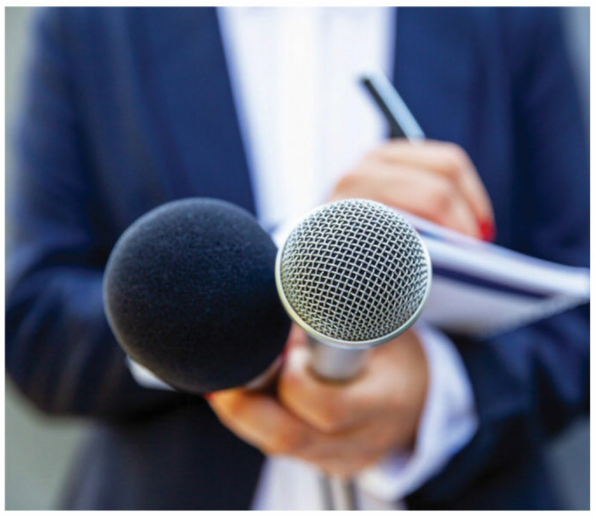
Are you ready to front media in a similar situation? In most cases it's far better for your reputation to agree to such requests. The alternative is a sentence in the story saying, "The CEO refused to comment." Most people interpret that as the CEO hiding something.

THE NEED FOR SPECIFIC SKILLS

Most leaders are great communicators. That's probably a major reason why they became leaders in the first place. But media interviews are like no other form of communication. Most leaders treat them as Q&As with the reporter or presenter. They simply answer the question asked of them and then wait for the next one.

That seems like the correct approach because it's how we communicate in every other part of our life.

But a media interview is a different ball game. You need your own message and the skills to get it across. Otherwise the reporter has all the power and you have no way of influencing what is covered or what parts of the interview are used in the news stories that follow.



It also makes you more likely to get misquoted or quoted out of context.

With print media interviews and all broadcast interviews that aren't live, only snippets will make it into the subsequent story. That's why you need the skills to continually refer back to your points to make sure that they are the snippets used.

This takes practice to master because you still need to answer the questions, but then transfer back to your message without sounding like a broken record.

HOW DO YOU DO THIS?

In a nutshell, you need to create the three key points that you want the reporter to use.

You then dress these points up by using interesting language like analogies and examples. Then they become attractive to the reporter and you also have a number of different ways of expressing the same point.

The ability to create these points, dress them up and then get them into the story is a skill like no other. It takes practice, but once mastered is valuable to any media spokesperson and his or her business or organisation.

John Key was an expert. He regularly used analogies with the All Blacks to get his points across.

He would have known they were almost guaranteed to pass through all media gatekeepers and into stories. David Seymour is now the politician who does this the best in New Zealand.

A possible message if you have a Covid case could be the following:

- Our thoughts are with our staff member and her family.
- We are doing everything we can to prevent more cases.
- The safety of our staff is our top priority.

Those points as they are may not be overly attractive to media, but by dressing them up in attractive language, they would be.

The points outlined here show a glimpse of how to master the media interview process. I must emphasise that there is a theoretical and practical side to this.

It's no different from learning to ride a bike. You can read as many books as you like to understand how to ride, but you only learn and improve by doing it.

This is exactly the same. The only way to master it is by focusing on one part of the theory before putting that into practice on camera. Then move to another area. There is no other way. M

DO WE NEED TO RE-THINK THE TRADITIONAL OFFICE?

CATHY HENDRY is the managing director at Strategic Pay.

IF WE ARE TO FULLY EMBRACE WORKING REMOTELY, THE REASONS FOR RETURNING TO THE OFFICE SHIFT FROM BEING A PLACE TO SIMPLY GET WORK DONE TO BEING A PLACE TO COLLABORATE, DEVELOP AND NURTURE CONNECTIONS. BY **CATHY HENDRY.**

November 29th 2021 marked the end of Auckland's 107-day lockdown, however due to the alert level, most traditional office based roles are unlikely to be returning to the office until Auckland moved to the Orange setting.

This extended lockdown and previous shorter lockdowns has shown most office workers are able to work effectively at home. Many are beginning to prefer the routine, especially if it means avoiding the daily commute.

We have seen a major shift in terms of flexible working. Lockdowns have shown workers can be just as productive working from home and everyone is comfortable meeting virtually via MS Teams, Zoom or Google Meet.

Employers are finding that there is an expectation now that most roles should have the ability to work from home if they choose to.

Working from home policies have moved from allowing the odd work from home day to specifying a minimum number of days in the office.

It seems that the convenience of working from home is outweighing the social connection one may get in the office.

So, are employers really more productive working from home? The research is mixed, there are real gains from not needing to commute and a reduction in interruptions or time spent on "water cooler" chats.

However, this is offset with the reduction in an employee's ability to collaborate, learn and make meaningful connections. A lot can be done via a video call, but humans are social beings and what we don't really know yet is what effect working from home may have on mental health and well-being.

Some employees may struggle to switch off work when they have their laptop at home and the hours of work and pleasure can become blurred.

Current views on remote working are that there needs to be a balance between in-person office time and working from home for focus or convenience.

What this does mean is a potential shift to how we view the office environment. When I consider how our own organisation responded to the latest extended lockdown, we worked really hard to keep social connections virtually with fun events.

However, all of us have expressed a desire to get back into the office and see everyone again. We, along with many other organisations, have had to induct a number of staff virtually and while we are starting to get pretty good at it, the ability to collaborate and learn is far greater in person.

This change in working suggests organisations may need to re-think their office space and its key purpose.

If we are to fully embrace working remotely, the reasons for returning to the office shift from being a place to simply get work done to being a place to collaborate, develop and nurture connections.

We may see a reduction in the requirement for focus or quiet spaces in the office, instead encouraging employees to work from home on the days where extended focus is required.

Given the increasing likelihood of further lockdowns, a large office footprint to accommodate offices and quiet places for focus is likely to become less attractive.

It is clear that our view of a traditional working space is rapidly changing. M

STRATEGISE FOR NORMALITY

SUPPLY CHAIN ISSUES, CHIP SHORTAGES, INFLATION, THE GREAT RESIGNATION, STAFF RELOCATING OUT OF THE CITIES AND MORE. THERE IS A GREAT DEAL FOR DIRECTORS TO STRATEGISE AROUND IN 2022. BY **CATHY PARKER.**

CATHY PARKER

is the director of Adrenalin Publishing, the owner of *Management* magazine. She also sits on a number of boards.

Strategise for normality: Well, maybe that should be strategise for the new normality.

The last two years has seen boards focused around survival and staff health and safety related to the Covid-19 pandemic. And whilst the pandemic is not over and I am sure it will have more curveballs to throw at us, it's clear that we have now entered a new phase of living with the virus.

With widespread vaccination and the traffic light system underway the focus for boards is on how to shape the business for this new normal.

One thing is certain, going back to pre-pandemic business-as-usual is probably not the best idea as the world has changed in many ways.

Trends you will need to factor into your thinking include (but are not limited) to:

- Ongoing supply chain issues which appear unlikely to improve during 2022.
- Chip shortage. If you are in electronics or rely on products which include electronics.
- Inflation is back fuelled by the money thrown at economies during the pandemic.
- The great resignation.
- Changes in staff expectancies around flexible work/work from home.
- A trend for staff to want to relocate from major centres and work remotely.
- Discovery that more can be done virtually with significant cost savings in terms of meetings with both staff and clients.
- The continued need to ensure staff and client safety and decisions around mask and vaccine mandates in the workplace.
- The potential for more Covid interruptions as new waves/variants arrive.
- Sustainability is likely to re-emerge as a major concern as pandemic worries ease.

In a nutshell the two biggest concerns are likely to be those related to supply chain disruption and staff retention.

Staff have tasted a different way of working and while some see the return to office interaction as great, many will have enjoyed the benefits of working from home and want to continue that at least part of the time.

Amongst our contacts we are seeing a number of people relocate away from their work base who are looking to work remotely with fortnightly or monthly meetings at the office.

If you want to retain these staff members you will need to see how you can accommodate this.

Part of it is driven by a desire to leave the large cities where lockdowns are more likely, house prices are challenging and traffic and increasing density is making the lifestyle less enjoyable.

Despite the expectations of growing unemployment at the start of the pandemic, we have seen the exact opposite, with unemployment levels approaching what many regard as full employment and numerous businesses experiencing challenges finding sufficient staff and skills.

The cut-off of immigration is part of that. But as the economy opens up there will be a growth of jobs back into tourism and hospitality, which will increase pressures and many younger professionals will look to restart stalled plans for overseas work and travel, further reducing the pool of talent.

All this means that strategies around staff retention become even more important.

Both of my daughters are starting their careers with large professional firms and it is interesting to see how these businesses approach this in terms of support, training and various programmes they have for their staff.

Every day sees these type of firms adding to their arsenal of staff well-being initiatives.

2022 will bring a raft of new challenges for boards so make sure you are up to speed with what is happening out there and the new trends you need to consider when planning. M

UP IN THE CLOUD

NEW ZEALAND IS BECOMING MORE ATTRACTIVE AS A BASE FOR CLOUD COMPUTING, ATTRACTING DATA CENTRE INVESTMENTS FROM THE WORLD'S LARGEST TECHNOLOGY FIRMS, WRITES **GRAEME MULLER.**

GRAEME MULLER

is the chief executive of NZTech, a NFP organisation which brings together 20 tech associations and more than 1600 member organisations.

> "Cloud computing is now a mainstream wave of technology for people, organisations, companies and governments to access more services for less cost."

Amazon Web Services has announced it will be building a data centre in Auckland because of the city's telecommunications connections and skilled workforce.

AWS will spend $7.5 billion building world class computing infrastructure in Auckland, creating 1,000 jobs and contributing $10.8 billion to New Zealand's GDP over the next 15 years.

Meanwhile, following an announcement in 2020, Microsoft has already started building three data centres in Auckland.

This sudden burst of data centre capacity is a reflection of the growth of cloud services and video gaming being produced by New Zealand firms.

Cloud computing, or the delivery of different services through the internet, is growing rapidly in New Zealand, providing many benefits.

Research from international market tracking firm, IDC, shows that public cloud services drove more than $12.7 billion of business revenue (for suppliers and customers) in 2020.

Before Covid, Xero commissioned the New Zealand Institute of Economic Research to research how leveraging cloud technology could help grow New Zealand's productivity.

The report found a 20 percent increase in the uptake of cloud computing could increase New Zealand's annual GDP by between $3.5 billion and $6.2 billion.

The report highlighted benefits to business of cloud computing uptake – such as freeing up time for management to spend on strategy and innovation - along with barriers to uptake such as the skill and knowledge development required to adapt and use cloud-based tools.

The growing success of New Zealand cloud software is attracting international investment.

Tauranga based LawVu, which helps in-house lawyers track their workload through a cloud-based project management system, successfully raised $17 million in August 2021 to help it expand globally.

Christchurch cloud software company, Partly, which provides a cloud platform for buying car parts, recently raised funding making it the largest pre-series A valuation for a start-up in New Zealand, now valued at $46 million.

Raising the funds for growth is the first step, however these funds are primarily for employing the skills and talent needed to drive growth to the next level.

Ongoing Covid border restrictions are forcing New Zealand's high growth companies to employ teams of people outside of New Zealand to meet customer demand.

The downside of this is that these roles are not likely to return to New Zealand and with them goes millions of dollars of lost income and company tax for the government.

New Zealand's game development sector, another cloud-based offering, is also growing rapidly.

The New Zealand Game Developers Association says the industry grew by 34 percent in 2020 to almost $300 million in revenue, of which 96 percent is from overseas.

The growth of New Zealand's leading game developers has accelerated during Covid and this sector is on track to become a billion-dollar industry within a few years.

Cloud computing is now a mainstream wave of technology for people, organisations, companies and governments to access more services for less cost. The abundant supply of information technology capabilities at a low cost offers many enticing opportunities. M

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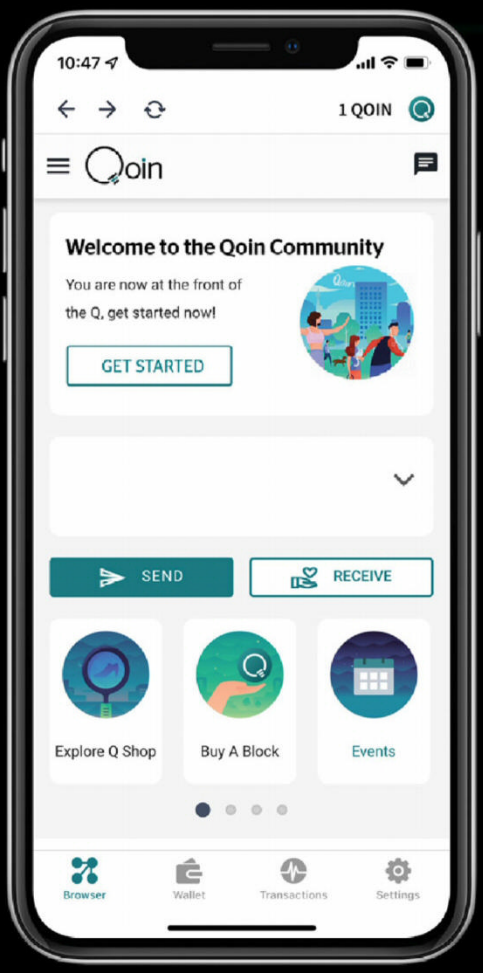

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